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MUNICIPAL FINANCE REPORTING MANUAL

**FINANCIAL STATEMENTS
ACCOUNTING TERMINOLOGY
GENERAL STATISTICS
FOR
MUNICIPAL CORPORATIONS**

THIRD EDITION

1960

DOMINION BUREAU OF STATISTICS

DOMINION BUREAU OF STATISTICS
Public Finance and Transportation Division
Public Finance Section

MUNICIPAL FINANCE REPORTING MANUAL

**PART 1—FINANCIAL STATEMENTS OF MUNICIPAL
CORPORATIONS**

PART 2—MUNICIPAL ACCOUNTING TERMINOLOGY

**PART 3—ASSESSMENTS, AREA, POPULATION AND
ROAD AND STREET STATISTICS**

**PART 4—FINANCIAL STATEMENTS OF MUNICIPAL
SUPERANNUATION OR PENSION FUNDS**

Published by Authority of

The Honourable Gordon Churchill, Minister of Trade and Commerce

PREFACE

This publication, entitled "Municipal Finance Reporting Manual" for better identification, is the second revision of the manual published under the title "Manual of Instructions" and subtitled "Financial Statements, Accounting Terminology, Population, Area and Assessment Schedules for Municipal Corporations" which was first published by the Dominion Bureau of Statistics in 1942 in two volumes and subsequently in revised form in one volume in 1950.

The original edition resulted from the work of the First (1937), Second (1937) and Third (1940) Dominion-Provincial Conferences on Municipal Statistics and their Continuing Committees. The first revised edition was published after the Fourth (1947) and Fifth (1948) Conferences, and this second revision follows the Sixth (1953) and Seventh (1958) Conferences, for each of which preparatory work was done by Continuing Committees.

Those who served as official representatives at the Conferences and as members of the Continuing Committees have been identified in the reports on the activities of both bodies, and their assistance is gratefully acknowledged.

The first edition of the Manual was prepared by J.H. Lowther of the Dominion Bureau of Statistics, and the revisions have been made by J.A. Barclay, in 1950 under the direction of J.H. Lowther and for this 1960 edition, under the direction of G.A. Wagdin, successive Directors of the Public Finance and Transportation Division of the Dominion Bureau of Statistics.

Full acknowledgment is made by the Dominion Bureau of Statistics of the valuable contributions by the various Federal and Provincial officials to this work.

April 1, 1960

WALTER E. DUFFETT,
Dominion Statistician.

Note: In accordance with Resolutions of the 1958 and previous Dominion-Provincial Conferences on Municipal Statistics, a copy of this "Municipal Finance Reporting Manual" is being made available, without charge, to each municipality in Canada, and to each municipal auditor. Additional copies may be obtained for \$3.00 from the Dominion Bureau of Statistics, Ottawa, or the Queen's Printer, Ottawa. It is expected that there may be periodic revisions of text, which will be distributed to all municipalities and municipal auditors, and which may be obtained, without charge, by others who possess the "Manual" by addressing a request to the Dominion Bureau of Statistics.

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INTRODUCTION

One of the objectives of the Dominion-Provincial Conferences on Municipal Statistics has been the standardization of municipal financial reporting throughout Canada, not only to the public at large, but also to the Provincial Departments of Municipal Affairs or other authorities, which in turn would also make possible the procuring of comparable municipal statistics on a provincial basis. The schedules for reporting balance sheet information, revenues and expenditures, and other financial data relating thereto, as adopted at the December, 1940, Dominion-Provincial Conference on Municipal Statistics, were developed with these objectives in mind. These have been amended, enlarged upon and brought up to date at subsequent Conferences, and are published in revised form in this new edition of the Municipal Finance Reporting Manual, which explains their application and use. At the same time provision is made in the Manual for a breakdown of municipal financial statistics and activities which will permit comparisons and consolidations to be made of financial statistics on a national scale, including the federal, provincial, and local governments.

APPLICATION

This Manual is for use by all incorporated units of municipal government, referred to herein as municipalities, and should prove useful in some of its aspects for some other forms of local government which are for convenience designated as Special District Authorities. Other provision is necessary for that portion of local government which is carried on by School Authorities, and an appropriate Manual is to be prepared for their use.

Financial Reports and Modification of Forms for Smaller Units

This volume contains an outline of the basic or fundamental requirements for an adequate municipal financial report, covering as it does the wide range of funds that may be found in the larger municipalities. But even in this respect it reflects only what might be regarded as minimum needs. The overall requirements of an adequate financial report will vary even between larger municipalities, depending on the basic organization and development, range of services and local opinion. Additional schedules, supporting balance sheet or revenue and expenditure statements, may also be included, depending on the requirements of interested persons and the desire of the officials to prepare reports which will be as useful and informative as possible.

Some additional statements recommended, the content of which would depend on the size and type of municipality concerned, are as follows:

1. Budget Operations—Estimated and Actual.
2. Sinking Fund and Other Investments:
 - a) Book Value, Cost and Market Value.
 - b) Sinking Fund Investments and Sinking Fund Debentures by years of maturity.
3. Cash Receipts and Payments (by funds; and in General Funds, by function)
4. Insurance Policies in force, including indemnity bonds on officials.
5. Municipal Employees (by funds):
 - a) Number.
 - b) Salaries or Wages paid.

Also, many tables of a purely statistical nature may be included, in which regard there are shown in Part III of this volume the schedules of General Statistics adopted by the Dominion-Provincial Conferences on Municipal Statistics. The inclusion of any of these additional financial or statistical statements will considerably enhance the value of the published financial report.

Financial reports of municipalities may also vary according to the purpose or interests they are intended to serve. At least two types of reports are desirable for many municipalities, certainly the larger ones. The first is a complete, unabridged, detailed report, as referred to above, covering the whole range of local activities and responsibilities. This is usually represented or covered by the auditor's report and should meet the test of legal requirements and prescribed standards, and include such additional detail and information as may be agreed upon between the council, finance officer and auditor.

The requirements of such a report will depend entirely on the complexity of the system of municipal administration. If there are a number of separately constituted boards and commissions, of one kind or another, such as hospital, library, recreation boards, etc., which are responsible for the administration of these services, and such have to be separately accounted for, then the system of municipal accounting and reporting and the problems of unification become more complex. (See Section "C", page 121.)

However, a financial report in this detail is invaluable, if not in fact essential to the municipal authorities, finance officers and council who are engaged in the day to day business of administering and managing the municipality's affairs, as well as to the municipal banker and to other financial institutions concerned.

The second type of report, which is referred to solely to avoid unwarranted implications in the use and purpose of this Manual, is an abridged report which should be prepared and available for the use mainly of the ratepayers and other individuals in the municipality. This should be in very condensed and abbreviated form. It should deal with the complete range of local affairs, revenues and resources, but contain as few financial statements as possible, and these should be accompanied by such descriptive commentary and explanations as may be necessary to make the report easily and correctly understood. Pictorial and graphic illustrations are widely used in the many excellent examples of this latter type of report.

In the smaller municipalities the considerations are not the same. Their administrative systems are not nearly so complex, and it is possible to prepare financial statements and reports in simple form and quite readily understandable terms. However, uniformity of form, content, terms and expressions is still of paramount importance in these cases.

Considerable scaling down and simplification may have to be made in the forms put into use for the smaller municipalities, and also for municipalities of different type or character. For instance, some modification will no doubt be required as between the forms for use by towns and villages in some provinces, as well as in those for townships or rural municipalities of different sizes. These facts should be given due recognition in the use of this Manual, and it should not be inferred that smaller municipal units are expected to have their financial reports prepared on such an elaborate basis. Further, it will be noted that many of the forms or schedules do not apply to all municipalities. However, in the course of any simplification or modification that may be necessary, the basic principles laid down for the preparation of the general statements must be carefully followed.

The Dominion Bureau of Statistics has co-operated with Municipal Affairs officials of the provinces in designing forms and schedules for use by the different classes or types of municipalities and will, on request, continue to do so. In this way both the local and provincial requirements for municipal financial statements will be adequately provided for, while at the same time the principles of uniformity on a national basis, which is an all-important and essential factor towards improvement in municipal administration and in the field of public finance statistics, will be maintained.

Tax or Rate Roll

Some confusion may exist as to the use of the term tax, or rate roll in the text. It refers to the book(s), record(s) or list(s) used by municipalities in any province in which is entered the amount of taxes levied against each taxpayer or property in any year. Sometimes the tax roll and the assessment roll may be combined.

Indexing Statements in Report

As balance sheets, surplus (deficit) accounts, and revenue (or income) and expenditure accounts constitute the principal financial statements in a report, it will be noted that these are referred to as "Exhibits", while the supplementary statements showing detail in support of items appearing in those statements are referred to as "Schedules". While the sequence of the Exhibits and Schedules in the Manual is considered to be the most appropriate and useful for reference purposes, other recognized methods for their indexing and arrangement in financial reports may be followed, such as to relate the detail schedules to the particular exhibits to which they refer.

Codification of Items

Reference should also be made to the fact that the various items are numbered independently in each statement. There is no intended correlation between items bearing the same numbers but appearing in different statements, although such may occasionally occur. The system of numbering items in the statements was employed mainly for the purpose of facilitating reference thereto, both in the Manual and elsewhere. It is intended, however, at some future date to give consideration to the development of a standard system of codification of assets, liabilities, revenues, and expenditures which may be adapted to the needs of any municipality.

Classification of Accounts

Classification of accounts is the basis of any accounting system. The measure of adequacy for any such classification is the degree to which it provides information needed for administration and reporting in an easily recorded and interpreted manner. No one classification can serve every conceivable need, and re-analyses and elaborations of some items may be required. Different classifications provide different information. The primary classification of municipal accounts is by funds, as municipal revenues are usually segregated for use for definite purposes, and may not be used for others. Consequently fund accounts should be identified in municipal records and grouped together. A brief reference to the different types of classifications and their use is contained in the following.

Fund Reporting

The exhibits and schedules of this Manual have been drafted and grouped to further a concept fundamental to municipal accounting and reporting, that of *separate fund accounting*. Generally speaking, the financial transactions of a municipality may, and should, be grouped into separate and distinct sections containing like funds. These sections are *general* (sometimes referred to as *ordinary*), *special activities*, *utilities*, *sinking fund*, *reserve funds* and *trust funds*. Within each of utilities, special activities, reserve funds and trust funds sections there may be a number of related funds. Each of general, utilities and special activities funds is divided into a capital and loan fund and a revenue fund.

Therefore, a fund consists of either the capital or the revenue aspects of a particular set of operations of the municipality, such as general operations, a

special activity, or a utility, or it consists of a reserve for retirement of sinking fund debentures, a segregated reserve for another purpose, or of money held in trust for a purpose by the municipality.

The total capital and loan position of the municipality is determined from a combined capital and loan fund balance sheet, the total revenue (or ordinary) position from a combined revenue fund balance sheet, and these two combined balance sheets, together with the sinking fund balance sheet and the reserve fund balance sheets show the financial standing of the municipality. Trust funds record non-municipal money held for disposition.

The funds in a municipality's records are therefore those required from amongst the following:

General Funds:

General Capital and Loan Fund

General Revenue Fund

Special Activity Funds (one set for each (named) Special Activity)

Special Activity Capital and Loan Fund

Special Activity Revenue Fund

Utility Funds (one set for each (named) Utility)

Utility Capital and Loan Fund

Utility Revenue Fund

Sinking Fund

Reserve Funds (one for each (named) Reserve

Trust Funds (one for each (named) Trust Fund)

Each fund should have a complete set of accounts, statements and schedules, as set out in Part 1, Sections "B" to "G" of this Manual.

Special Activity Funds account for those portions of the municipality's service operations, other than general and utilities, which may have been delegated to a commission or board for management, and whether so delegated or not, for which separate accounts are kept. They are described, with examples, in Section "C" on page 123. In many municipalities some of these may be managed by council without separate accounting, if not of much moment, in which case financial data thereon will be included in the general funds, according to the classifications thereof. It is advisable to have separate accounting for municipal hospitals, which belong in the special activities group.

Utilities are those municipal operations listed in Section "D", on page 157: each should always be accounted for and reported on as a separate set of funds with the capital and loan and revenue fund fully set out, whether managed by a board or commission, or by council or a committee thereof.

This division of the accounting and reporting for the operational aspects of municipal government into general, special activities and utilities is similar to one employed for the provincial and federal governments and is based on the premise that there are certain "general" or ordinary functions of government which are largely common to all similar jurisdictions, and which are financed chiefly from taxes and other generally applied sources of income. These are grouped together, and all others of a different nature should be separated from them.

Certain other operations of government have quite different characteristics, that is, those which produce goods or provide services for which they charge, intending largely to recover costs or gain a profit. Often the operation is administered by a body other than the legislative one, which body may obtain capital funds by loans or transfers from the parent organization or by outside borrowing. There is often a considerable degree of financial and administrative autonomy. As these operations are not common to all units of government, it is best that they be separately accounted for both for comparative purpose, and in order that each may be viewed as an entity.

The operations other than "general" which are carried on by municipalities might be categorized as *utilities* and "other". In this Manual, a definite list of utilities has been established, and is set out in Section "D". Each should have its own set of accounts, the statements in Section "D" being *pro forma* only. Appendix 2 on page 251 elaborates on these.

Those operations other than general which have not been included in the list of utilities are designated as *special activities* included in Section "C", which also provides statements for reporting on each, as well as a listing of many of the more common kinds.

These utility and special activity statements are *pro forma* statements. If different statements are required by any provincial board, such as a public utilities board, they should be substituted for these. Statements have been devised and published for use by hospitals, and hospital statements published in Section "C" of a municipal report should take the form recommended.

Classification Within Funds

Revenues

Within the funds as determined for use in a municipality revenues may be classified in three principal ways, namely, by:

1. *Source*
2. *Department (or Organization Unit)*
3. *Purpose (or Activity)*

Source: This is the commonly used classification. Some funds have very few sources, perhaps only one, but many sources are applicable to general fund. Classification of revenues by source facilitates the preparation of budgets, budgetary control, the preparation of financial statements, and the production of comparable financial statistics. Examples of municipal revenue sources are: taxes; licences and permits; rents; concessions and franchises; fines; interest; etc. The exact titles used depend upon what is authorized, or what is accepted as common practice, and, of course, on the need to give a full presentation of revenues.

These main source classifications may again be broken down into various types within themselves. For instance in General Revenue Fund, "Taxes" is subdivided into "General Taxation" and "Special Assessments", and these in turn into still more detail, such as for "General and School Taxation" which is subdivided into "real property, personal property, business, poll, etc." in order to obtain a more detailed presentation and understanding. Similarly, other sources may be broken down to give information desired, as in the case of "Contributions", which is detailed according to contributing agencies (i.e., Dominion, province, other municipalities, utilities, etc.).

Department: Sometimes revenues are classified by departments or organization units of the municipal government, or other collecting agencies. They may be further classified by activity within departments. This reflects responsibility for administration and serves as a check on the effectiveness of collections; it may also facilitate auditing. But since departments and their organization vary from municipality to municipality, valid comparisons on this basis between municipalities, and inter-provincially, are difficult, if not impossible.

Purpose: Occasionally revenues are designated by the purpose for which raised, such as taxes for hospital support (hospital taxes). This may have the advantage of emphasizing the reason for the tax and the purpose for which used but actually does not obviate the need for indicating the basic source, such as "real property" or "poll" tax.

Expenditures

Also within the fund classification prescribed, expenditures may be classified in five principal ways, namely, by:

1. *Function*
2. *Activity*
3. *Object*
4. *Character*
5. *Department (or Organization Unit)*

Function: Classification of expenditures by function reflects the purpose served by the expenditure, such as "General Government, Protection to Persons and Property, Sanitation and Waste Removal", etc. It facilitates statistical comparisons, as all municipalities provide many common functions even though their administrative organizations vary. Functions may be subdivided, such as "Protection to Persons and Property" into "police protection, fire protection", etc.

Activity: Classification of expenditures by activity relates to the specific work carried out to accomplish a function. In other words, each function consists of a group of activities, just as the functional class "fire protection" consists of such activities as "administration, fire fighting force, fire alarm system, fire stations and buildings", etc. A classification by activity facilitates budget making and control and statistical comparisons because activities are similar as between municipalities even when departmental organizations differ. It also makes possible unit cost accounting.

As the above will convey a clear cut distinction between function and activity cannot always be made, but this is not a serious weakness because the two are used in conjunction.

Object: Expenditures may be classified according to articles purchased, services obtained, obligations paid, and contributions between funds. Such a classification is very useful in preparing budgetary estimates of expenditure, when each activity is analysed by object in order to determine the estimated cost of services and commodities to be used. Comparison of changes in costs of activities can also be made, differences can be determined, and economies can be investigated because it is possible to compare performance with past years and also with other authorities.

Character: Useful for economic analysis, and informative as to when the benefits of expenditures are realized, a character classification is arranged by grouping of objects of expenditure as follows:

1. Current Expenses
2. Capital Expenditures
3. Debt Redemption

Current expenses may be further subdivided such as into purchases of goods and services, grants and subventions, and interest.

Department: The various activities may be assigned to departments or other organization units of the municipal government, and classified by departments rather than by functions. If sufficient detail is given, the expenditures may be re-classified and presented by functions. This method is usually followed by the larger municipalities. The same result is obtained in other instances by assigning activities to the several "committees of council". In either instance such an arrangement is very useful for budgeting purposes and serves to fix administrative responsibility for services. Under either system of administrative responsibility, the various activities within a department should be so arranged that they may be regrouped without further analysis so as to permit the classification of expenditures by function.

Basis of Classifying of Revenues and Expenditures in Manual

As heretofore stated, the classifications in this Manual are the result of conferences of officials from all of the provinces.

A classification of General Revenue Fund revenues by "source" was adopted, as this one is by far the most useful, and in some form or another was already in general use. The advantages have already been outlined. It has been so presented as to place due emphasis on the more important revenues which are common to most municipalities.

A classification by departments would have done little to accomplish the aims of the Conferences, as few municipalities have departmentalized their administration, and those which have do not follow a standard pattern. Hence provincial or national totals on this basis would be meaningless. Aside from this, however, a classification of revenues on this basis is of little or no practical use for financial or economic analysis. However, it is possible for municipalities which classify expenditures by department to present their revenues according to source.

Only a few revenues of municipalities are ever classified by a specific purpose, as most are for general purposes, and this would mean a very skimpy classification.

For reasons of usefulness and practice similar to those behind the adoption of a source classification of revenues, and for those advantages already dealt with, the classification of municipal expenditures by "function" was adopted. Here also, the functional terms and sub-items emphasize the important and wide range of services for which municipalities in the several provinces are responsible. This enables the municipalities to vary the detail presented as required by their size, and by provincial regulations.

Practical considerations led to a deviation from the main basis of presentation, when elements of a character classification were introduced and "Debt Charges" and "Contributions to Capital and Loan Fund" were segregated.

Standard Terms and Definitions

Classification of accounts as described above is not possible without standard terms and definitions. This is necessary even for a municipality preparing an understandable report for one year as well as for all municipalities of a province, or in the Dominion, preparing reports comparable with one another, and consistent from year to year. This Manual, both in its forms and schedules with their explanatory texts in Parts I, III and IV, and the Municipal Accounting Terminology in Part II, attempts to give in broad outline standards for municipalities to follow. However, uniformity and comparability will not be achieved unless the terms and classifications are used only in accordance with the prescribed definitions and explanations.

Acknowledgments

In the course of preparing this Manual, many texts, reports, and forms devoted to similar or related matters were frequently referred to for both general and technical guidance; these comprised the following: publications of the Municipal Finance Officers Association on Municipal Accounting Statements and related subjects; publications of the National Association of Railroad and Utilities Commissioners on Uniform Systems of Accounts for Water, Electric and Gas Utilities, the Tentative Manual of Practice, Uniform System of Accounts for Sewer Utilities of the Federation of Sewage Works Associations; forms, reports, and instruction texts published by the Department of Commerce, Bureau of the Census, Washington; Accounting Terminology for Canadian Practice published by the Canadian Institute of Chartered Accountants; forms and reports of the several provinces on municipal and utility statistics; and forms and reports of the Dominion Bureau of Statistics. This wealth of reference material was extremely helpful and the use thereof is gratefully acknowledged.

PART I

FINANCIAL STATEMENTS OF MUNICIPAL CORPORATIONS

SECTION A

COMBINED BALANCE SHEETS

SECTION "A" — COMBINED BALANCE SHEETS

It is essential to the understanding and appreciation of the financial state of a municipal corporation at the end of a financial period to bring together all like balance sheets which have been separately constituted for administrative purposes. While the records for general activities, special activities and utilities are maintained separately in order that each may be examined as to its financial condition, each separate balance sheet is a part only of a whole accounting of the financial position of the municipality. The overall balance sheet position must be presented. This is accomplished by summarization of all capital and loan fund balance sheets into one combined statement, and all revenue or current fund balance sheets into another, so as to show the complete long-term liabilities of the municipality in the one and its current assets with commitments thereof in the other.

All sectional Capital and Loan Fund Balance Sheets are brought together in the "Combined Capital and Loan Funds Balance Sheet", Exhibit 1 Form 1. If there are many of these, those of each Section may be combined first at the beginning of the Section, with totals for the Section carried to the principal combined balance sheet in this Section "A". The Combined Capital and Loan Funds Balance Sheet is supplemented by Schedules 2 to 11 which give detail of debenture and other long-term debt.

The Revenue Fund Balance Sheets are similarly brought together in the "Combined Revenue Funds Balance Sheet", Exhibit 3 Form 12 which if necessary may be supplemented by combinations at the beginning of one or both Sections.

These forms do not provide for the inclusion of school authorities, as these are to be treated as separate authorities with separate financial statements, except when they form an integral part of the municipal corporation and its accounts, as presently in Alberta Counties. This does not preclude the inclusion of school authority statements within the covers of a municipal financial report. The same applies to special districts authorities where it is required that one of the participating municipalities publish the financial statements.

The amounts appearing in the individual general, special activity and utility fund balance sheets should be entered in these statements according to the condensed classification, with totals extended. In order to clarify the procedure, there is entered in each of the columns, opposite the various items, the number of the corresponding item or items appearing in the respective capital and loan fund and revenue fund balance sheets.

FORM 1

**COMBINED CAPITAL AND LOAN FUNDS
BALANCE SHEET**

COMBINED CAPITAL AND LOAN FUNDS BALANCE SHEET

The Combined Capital and Loan Funds Balance Sheet shown here is the form in which a municipality should report the liabilities outstanding which were incurred for or in connection with the acquisition of the fixed and capital assets and other assets of a capital nature necessary for the provision of services, offset by the book value of those assets and by other appropriate debits. Its purpose is to combine in one statement the capital assets and liabilities recorded in the various funds of the municipality in order that the capital asset and liability positions of the municipality may be appraised as a whole. In consequence, detailed analysis of debenture and other long-term debt is required in subsidiary Schedules.

If there should be so many of either Special Activity or Utility Capital and Loan Fund Balance Sheets as to make this statement unwieldy, the balance sheets of one or both Sections should be combined first at the beginning of the Section with totals carried to this Combined Capital and Loan Funds Balance Sheet.

See the remarks on page 4 on the cross-indexing of this statement with the individual balance sheets.

**COMBINED CAPITAL AND LOAN FUNDS
BALANCE SHEET**

As at December 31st, 19

EXHIBIT 1

	General Capital and Loan Fund	Special Activities Capital and Loan Funds*	Utilities Capital and Loan Funds*	Total Capital and Loan Funds
	\$	\$	\$	\$
ASSETS				
1. Fixed Assets and Works in Progress	1, 2	1	1	.....
2. Due from Other Municipalities and Special District Authorities For:				
21. Debentures	3 (31)		4	.....
22. Other Long-Term Debt	3 (32)		4	.....
3. Due from School Authorities for Debentures	4			.....
4. Due from Sinking Fund for Retire- ment of Debentures	5	2	3 (31)	.....
5. Investments (Securities)	7	3	2 (222) (232) (24)	.....
6. Cash and Bank Balances	6	3	2 (221) (231)	.....
7. Accounts Receivable	8	3	4	.....
8. Other Assets	10	3	2 (21), 4	.....
9. Due from Other Funds	9	2	3 (32)	.....
10. Deficits or Extraordinary Expenses Capitalized	11	4	5	.....
11. Total	=====	=====	=====	=====
LIABILITIES				
1. Debenture Debt (Unmatured)	1	1	1	.....
2. Other Long-Term Indebtedness	2	2	2	.....
3. Due to Other Municipalities and Special District Authorities For:				
31. Debentures	3 (31)		4	.....
32. Other Long-Term Debt	3 (32)		4	.....
4. Temporary Loans (Other than Inter- fund)	4	4	4	.....
5. Accounts Payable	5	4	4	.....
6. Other Liabilities	7	4	4	.....
7. Reserves	8	5	5	.....
8. Due to Other Funds	6	3	3	.....
9. Investment in Capital Assets (Capital Surplus**)	9	6	6**	.....
10. Total	=====	=====	=====	=====

* Column for each separate fund, or if required, supplementary columnar balance sheets summarizing utilities and special activities with totals carried to this balance sheet. Each Special Activity and Utility should be named.

FORM 2

ANALYSIS OF DEBENTURE DEBT

ANALYSIS OF DEBENTURE DEBT

As at 19
(Day) (Month)

EXHIBIT 2

Debenture Debt Classification (1)	Gross Unmatured Debt (Excl. Unsold Debentures)			Reserve for Retire- ment of Sinking Fund Deben- tures (5)	Net Un- matured Debt (Exclud- ing Unsold Deben- tures (6)	Unsold Debentures	
	Serial Deben- tures (2)	Sinking Fund Deben- tures (3)	Total (4)			Serial Deben- tures (7)	Sinking Fund Deben- tures (8)
1. General:							
11. Capitalized Deficits	\$	\$	\$	\$	\$	\$	\$
12. General Fixed Assets
13. Schools (Issued in name of Muni- cipality)
131. Public
132. Separate
133. Secondary
134. Tech. or Vocational
14. Other (Specify)							
141.
142.
143.
144.
Total Gen. Funds Debenture Debt	\$	\$	\$	\$	\$	\$	\$
2. Special Activities:							
21. Hospitals	\$	\$	\$	\$	\$	\$	\$
22.
23.
24.
25.
Total Special Activity Funds Deben- ture Debt	\$	\$	\$	\$	\$	\$	\$
3. Utilities:							
31. Debt Issued in the Name of the Municipality:							
311. Water Supply System	\$	\$	\$	\$	\$	\$	\$
312. Electric Light & Power System
313. Gas Supply System
314. Transportation System
315. Telephone System
316. Central Heating
317. Airports
318. Housing Corporation
319. Parking Authority
32. Sub-Total	\$	\$	\$	\$	\$	\$	\$
33. Debt Issued in the Name of Utili- ties: (Name of Utility, as above)							
331.	\$	\$	\$	\$	\$	\$	\$
332.
333.
334.
335.
34. Sub-Total
Total Utility Funds Debenture Debt	\$	\$	\$	\$	\$	\$	\$
Grand Total Debenture Debt	\$	\$	\$	\$	\$	\$	\$
Sinking Fund Surplus or Deficit							
Total Sinking Fund	\$						

Explanatory Notes: (Form 2) Exhibit 2

This Exhibit shows, in condensed form, an analysis of the debenture debt shown in item 1 of the liabilities in the Combined Capital and Loan Funds Balance Sheet, Exhibit I (Form 1 on page 7).

Column (1)—The classification of the debenture debt as to whether of (1) General (2) Special Activities (list each by name) or (3) Utilities (list each by name) Sections. In item 1, General, the debt should be divided between: that issued for payment of deficits; that issued to finance general fixed assets; that issued, where required by law, past or present, for school authorities, outstanding in the name of the municipality, and reported in the General Capital and Loan Fund (for most instances school debenture debt should be reported by the school authorities); and that issued for other purposes. Utility debt should be indicated as issued in the name of the municipality, or issued in the name of the utility, and when both situations exist two listings should appear as in 3-31 and 3-33.

Column (2)—*Gross* unmatured debt represented by serial debentures, exclusive of any unsold.

Column (3)—*Gross* unmatured debt represented by sinking fund debentures, exclusive of any unsold.

Column (4)—The total of amounts entered in columns (2) and (3). The amounts appearing in this column and the total thereof should be in agreement with the corresponding amounts shown under item 1 of the liabilities in the Combined Capital and Loan Funds Balance Sheet (Form 1 on page 7).

Column (5)—The actuarial requirements of sinking funds in respect of debentures shown in column (3) or in other words the same amounts as are shown under item 1 of the liabilities in the Sinking Fund Balance Sheet, Exhibit 23 (Form 41 on page 195). Do not include here opposite individual or total items the surplus or deficit in the sinking fund; this should be shown below the *Grand Total* at the bottom of the statement and added only to the *Grand Total* to show the *Total Sinking Fund*.

Column (6)—The difference between the amounts entered in columns (4) and (5) or in other words the net unmatured debt, after deducting sinking funds.

Columns (7) and (8)—These are for memorandum purposes only with respect to unsold debentures. Although such are excluded from the debt figures it is important that they be reported. Serial debentures should be kept separate from sinking fund debentures and shown in the respective columns for each.

Also show here and footnote any sinking fund reserves held by the utility itself rather than the overall sinking fund (Item 5-51 of the liabilities of Exhibit 17 on page 161).

ANALYSIS OF LOCAL IMPROVEMENT DEBENTURE DEBT
As Included in Item 1, Liabilities

SCHEDULE 1

	Municipality's Share	Owners' Share	Total
<hr/>			
Included in:			
11. General --			
111. Sewers	\$	\$	\$
112. Sidewalks
113. Other: (Specify)			
1131.
1132.
Sub-Total
13. Public Utilities --			
131. Water Supply System
132. Other: (Specify)			
1321.
1322.
Sub-Total
Total	\$	\$	\$

Explanatory note: (Form 3)

The purpose of this Schedule is to assemble and show detail of the local improvement debenture debt included in item 1 of the liabilities of the General and the Utilities Capital and Loan Funds Balance Sheets, and therefore in item 1 of the liabilities of the Combined Capital and Loan Funds Balance Sheet, so as to indicate, and permit comparison of, the portions of this debt which are recoverable through local improvement taxes and through general taxation.

SCHEDULES TO

COMBINED CAPITAL AND LOAN FUNDS BALANCE SHEET

DUE FROM OTHER MUNICIPALITIES AND SPECIAL DISTRICT AUTHORITIES FOR PAYMENT OF DEBENTURES

As at 19
(Day) (Month)

SCHEDULE 2

Funds to Which Due (1)	Name of Municipality or Authority from which due (2)	Gross Unmatured Debt Assumed			Reserve for Retirement of Sinking Fund Debentures (6)	Net Unmatured Debt Assumed (7)
		Serial Debentures (3)	Sinking Fund Debentures (4)	Total (5)		
1. General: (Specify by Function)						
.....	\$	\$	\$	\$	\$
.....
.....
.....
Total General		\$	\$	\$	\$	\$
2. Special Activities: (Specify)						
.....	\$	\$	\$	\$	\$
.....
.....
.....
Total Special Activities		\$	\$	\$	\$	\$
3. Utilities: (Specify)						
.....	\$	\$	\$	\$	\$
.....
.....
.....
Total Utilities		\$	\$	\$	\$	\$
4. Total Due from Other Municipalities and Special District Authorities for Payment of Debentures						
		\$	\$	\$	\$	\$

Explanatory Notes: (Form 4)

This Schedule shows the detail of amounts due from other municipalities and from special district authorities for the retirement of debentures shown as outstanding in the various funds of the municipality, payment of which has been assumed by these other municipalities or special districts, and is in support of item 2-21 on the asset side of the Combined Capital and Loan Funds Balance Sheet, Exhibit 1 (Form 1, on page 7). Such assumptions occur principally as a result of the annexation of territory or the joint undertaking of capital works, when the asset acquired out of the proceeds from the original issue of debentures is owned jointly by the municipality that issued the debentures and the municipality (s) or special district authority that assumed or is responsible for a portion of the debt. Each municipality or special district authority concerned should carry only its share of the capital undertaking as a general fixed asset; thus the municipality that issued the debentures should show an additional asset equivalent to the unmatured portion of the debt assumed by other municipalities, unless sinking fund debentures were issued when the asset would be represented by the portion of the debt assumed *less* the portion of the *reserve for retirement of sinking fund debentures* applicable thereto. (See explanation of column (6) below.) It will thus be seen that the asset appearing in the balance sheet should be represented by an amount equal to the total of column (3) or the total of column (7), depending on whether or not sinking fund debentures are involved.

Column (1)—The purpose for which the debentures were issued according to the debenture debt classification in Exhibit 2 (Form 2 on page 10).

Column (2)—Name of the municipality which assumed the debt.

Column (3)—Amounts assumed in respect of debentures issued on the serial or instalment plan.

Column (4)—Amounts assumed in respect of debentures issued on the sinking fund plan.

Column (5)—The total of amounts shown in columns (3) and (4).

Column (6)—The portion of the *Reserve for Retirement of Sinking Fund Debentures* which stands to the credit of the portion of the sinking fund debentures assumed. (If 10% of a sinking fund debenture was assumed by another municipality, 10% of the "reserve" should be shown here.)

Column (7)—The difference between the amounts entered in columns (5) and (6), or in other words the net unmatured debt assumed (after deducting sinking funds applicable thereto).

DUE TO OTHER MUNICIPALITIES AND SPECIAL DISTRICT AUTHORITIES FOR PAYMENT OF DEBENTURES

As at 19
(Day) (Month)

SCHEDULE 3

Funds From Which Due (1)	Name of Municipality or Authority to Which Due (2)	Gross Unmatured Debt Assumed			Reserve for Retirement of Sinking Fund Debentures (6)	Net Unmatured Debt Assumed (7)
		Serial Debentures (3)	Sinking Fund Debentures (4)	Total (5)		
1. General: (Specify by Function)						
.....	\$	\$	\$	\$	\$
.....
.....
.....
Total General		\$	\$	\$	\$	\$
2. Special Activities: (Specify)						
.....	\$	\$	\$	\$	\$
.....
.....
.....
Total Special Activities		\$	\$	\$	\$	\$
3. Utilities: (Specify)						
.....	\$	\$	\$	\$	\$
.....
.....
.....
Total Utilities		\$	\$	\$	\$	\$
4. Total Due to Other Municipalities and Special District Authorities for Payment of Debentures						
		\$	\$	\$	\$	\$

Explanatory Notes: (Form 5)

This Schedule shows the detail of amounts due to other municipalities and to special district authorities for the retirement of debentures which were issued by these other municipalities and special district authorities, but for which one or another of the funds of the reporting municipality has assumed liability and must repay the charges to the issuing authority, and is in support of item 3-31 on the liability side of the Combined Capital and Loan Funds Balance Sheet, Exhibit 1 (Form 1, on page 7). While the municipality that issued the debentures shows the total debt as a liability, such being incurred in its name, the municipality (s) or special district authority that assumed or is responsible for a portion of the debt should also show its share as a liability in order to reflect a true capital indebtedness on the same basis as if its own debentures were issued in the first instance. It will thus be seen that the liability appearing in the balance sheet should be shown at an amount equal to the total of column (3), or column (5), depending on whether or not sinking fund debentures are involved. If sinking fund debentures were assumed, the sinking fund balance sheet should show an asset for the amount held by the issuing municipality to the credit of the portion of the debt assumed, with a corresponding amount as the *reserve for retirement of sinking fund debentures* under the liabilities, which should be in agreement with the amounts shown in column (6) of this statement. (The asset and relative reserve accounts, if any, in respect of any such assumed liability should be set up and treated in the Capital and Loan Funds Balance Sheets on the same basis as if debentures were actually issued.)

Column (1)—The purpose for which the debentures were issued according to the debenture debt classification in Exhibit 2 (Form 2 on page 10).

Column (2)—Name of the municipality from which the debt was assumed.

Column (3)—Amounts assumed in respect of debentures issued on the serial or instalment plan.

Column (4)—Amounts assumed in respect of debentures issued on the sinking fund plan.

Column (5)—The total of amounts shown in columns (3) and (4).

Column (6)—The portion of the *Reserve for Retirement of Sinking Fund Debentures* which stands to the credit of the portion of the sinking fund debentures assumed. (If 10% of a sinking fund debenture was assumed from another municipality, 10% of the "reserve" should be shown here.)

Column (7)—The difference between the amounts entered in columns (5) and (6) or in other words the net unmatured debt assumed (after deducting the sinking fund reserve applicable thereto).

**DUE FROM OTHER MUNICIPALITIES OR SPECIAL DISTRICTS
FOR PAYMENT OF LONG-TERM DEBT**

As at 19
(Day) (Month)

SCHEDULE 4

Fund to Which Due (1)	Name of Municipality or Authority From Which Due (2)	Balance Due on Long-Term Debt Assumed (3)
1. General: (Specify by Function)		
.....	\$
.....
.....
.....
Total General		\$
2. Special Activities: (Specify)		
.....	\$
.....
.....
.....
Total Special Activities		\$
3. Utilities: (Specify)		
.....	\$
.....
.....
.....
Total Utilities		\$
4. Total Due From Other Municipalities and Special Districts for Payment of Long-Term Debt		
		\$

For Explanatory Note see page 20.

**DUE TO OTHER MUNICIPALITIES OR SPECIAL DISTRICTS
FOR PAYMENT OF LONG-TERM DEBT**

As at 19
(Day) (Month)

SCHEDULE 5

Fund From Which Due (1)	Name of Municipality or Authority To Which Due (2)	Balance Due on Long-Term Debt Assumed (3)
1. General: (Specify by Function)		
.....	\$
.....
.....
.....
Total General		\$
2. Special Activities: (Specify)		
.....	\$
.....
.....
.....
Total Special Activities		\$
3. Utilities: (Specify)		
.....	\$
.....
.....
.....
Total Utilities		\$
4. Total Due to Other Municipalities and Special Districts for Payment of Long-Term Debt		
		\$

For Explanatory Note see page 20.

Explanatory Note: (Form 6)

This Schedule shows the detail of amounts due from other municipalities and from special district authorities for the repayment of long-term debt (other than debenture debt) shown as outstanding in the various funds of the municipality, responsibility for payment of which has been assumed by these other municipalities or special districts, and is in support of item 2-22 on the asset side of the Combined Capital and Loan Funds Balance Sheet, Exhibit 1 (Form 1, on page 7). Such assumptions of liability occur principally as a result of the annexation of territory or the joint undertaking of capital works, when the asset acquired out of the proceeds of the loan is owned jointly by the municipality incurring the debt and the municipality (s) or special district authority that assumed or is responsible for a portion of the debt. Each municipality or special district authority concerned should carry only its share of the capital undertaking as a fixed asset, thus the municipality that incurred the debt should show an additional asset equivalent to the unpaid part of the debt assumed by the other municipality (s) or special district authority.

Explanatory Note: (Form 7)

This Schedule shows the detail of amounts due to other municipalities and to special district authorities for the repayment of long-term debt (other than debenture debt) incurred by these other municipalities and special district authorities, but for which one or another of the funds of the reporting municipality has assumed liability and must repay the authority which originally incurred the debt, and is in support of item 3-32 on the liability side of the Combined Capital and Loan Funds Balance Sheet, Exhibit 1 (Form 1, on page 7). The municipality (s) or special district authority that assumed or is responsible for a portion of the debt should also show its share of the liability in order to reflect a true capital indebtedness on the same basis as if it had incurred the long-term debt in the first instance, and should also show its share of the asset.

PLACE OF PAYMENT OF UNMATURED DEBENTURE DEBT

As at 19
 (Day) (Month)

SCHEDULE 6

Payable In

1. Canada Only \$
2. London (England) Only
3. London (England) and Canada
4. New York Only
5. New York and Canada
6. London (England), New York and Canada
7. Other: (Specify)
-
-
- Total Unmatured Debenture Debt as per Exhibit 2 \$

Note: This statement is required only if any debentures are payable in other than Canadian Funds.

Explanatory Notes:

This Schedule shows the currency of payment of the *unmatured* debenture debt, or in other words the portion of the debt payable in Canadian funds only as well as that payable, at the option of the holder or otherwise, in funds of other countries. Principal only should be included in this statement; the total should be in agreement with the gross unmatured debenture debt as shown by column (4) of Exhibit 2 (Form 2 on page 10).

AVERAGE RATE OF INTEREST PAYABLE ON UNMATURED DEBENTURE DEBT

As at 19
(Day) (Month)

SCHEDULE 7

Rate of Interest % (1)	Amount of Debt Unmatured (2)	Annual Interest Extended (3)
Nil	\$	\$
2
2 ¹ / ₄
2 ¹ / ₂
2 ³ / ₄
3
3 ¹ / ₄
3 ¹ / ₂
3 ³ / ₄
4
4 ¹ / ₄
4 ¹ / ₂
4 ³ / ₄
5
5 ¹ / ₄
5 ¹ / ₂
5 ³ / ₄
6
6 ¹ / ₄
6 ¹ / ₂
6 ³ / ₄
7
7 ¹ / ₄
7 ¹ / ₂
7 ³ / ₄
8
Other
.....
.....
.....
.....
Total	\$	\$

**Average Rate of Interest Payable on
Unmatured Debenture Debt%**

Explanatory Notes:

This Schedule provides an analysis of the unmatured debenture debt according to interest coupon rates and enables a calculation to be made of the average rate of interest payable on the total debt.

Column (1) — The various rates of interest on the basis of which the analysis of the unmatured debt should be made. Interest rates not specifically mentioned should be shown under "Other".

Column (2) — The amount of debt unmatured on which interest is payable at the respective rates shown in column (1). The unmatured balance of any issues carrying multiple interest rates should be broken by interest rates and the amount of principal bearing each rate shown in the proper line.

Column (3) — The amount of one year's interest on each amount of unmatured debt shown in column (2) at the respective rate of interest applicable thereto.

The total of column (2) should be in agreement with the gross unmatured debenture debt as shown by column (4) of Exhibit 2 (Form 2 on page 10).

The Average Rate of Interest Payable on the Unmatured Debenture Debt is obtained by dividing the total annual interest by the total debt unmatured.

PLACE OF PAYMENT OF FUTURE DEBENTURE
PAYMENTS AND INTEREST COUPONS (COMBINED)

As at 19
(Day) (Month)

SCHEDULE 8

Amount Payable In	19	19	19	19	19	19 To Maturity	Total
1. Canada Only	\$	\$	\$	\$	\$	\$	\$
2. London (England) Only
3. London (England) and Canada
4. New York Only
5. New York and Canada
6. London (England), New York and Canada
7. Other: (Specify)
.....
.....
Total	\$	\$	\$	\$	\$	\$	\$

Note: This statement is required only if any debentures or interest coupons are payable in other than Canadian Funds.

Explanatory Notes:

This Schedule shows the currency of payment of debenture principal and interest falling due and payable in each of the next succeeding five years following the fiscal year under review, and the total for the sixth and following years to maturity of the debt. In other words, it shows the portion of principal and interest payable in Canadian funds only as well as that payable, at the option of the holder or otherwise, in funds of other countries. Annual sinking fund requirements are *not* to be included in this statement. It will thus be seen that the total for each year or period in question should equal the combined total of amounts for corresponding years shown in columns (2), (3), (5), and (8) under item 4 of Schedule 9 (Form 11 on page 24).

FUTURE DEBENTURE DEBT CHARGES BY YEARS

(Principal or Sinking Fund Requirements and Interest)
and

FUTURE PRINCIPAL MATURITIES OF SINKING FUND DEBENTURES

As at 19
(Day) (Month)

SCHEDULE 9

Analysis by Years (1)	Serial Debentures		Sinking Fund Debentures		Total		Principal Maturities of Sinking Fund Deben- tures (8)
	Principal (2)	Interest (3)	Sinking Fund Require- ments (4)	Interest (5)	Principal and Sinking Fund Require- ments (6)	Interest (7)	
1. General:							
19	\$	\$	\$	\$	\$	\$	\$
19
19
19
19
19 to Maturity
Total	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
2. Special Activities:							
19	\$	\$	\$	\$	\$	\$	\$
19
19
19
19
19 to Maturity
Total	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
3. Public Utilities:							
19	\$	\$	\$	\$	\$	\$	\$
19
19
19
19
19 to Maturity
Total	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
4. Total:							
19	\$	\$	\$	\$	\$	\$	\$
19
19
19
19
19 to Maturity
Grand Total	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Explanatory Notes: (Form 11)

The purpose of this Schedule is to show the future principal or sinking fund requirements and interest in respect of the unmatured debenture debt at the close of the year under review, and in addition, the principal maturities of sinking fund debentures. The amounts required for debt retirement and interest in each of the next succeeding five years following the fiscal year under review and the total for the sixth and following years to maturity of the debt, are to be shown separately.

Column (1) — The basis on which the analysis is to be made:

Item 1 — The amounts required for the years in question in respect of General Funds debentures.

Item 2 — The amounts required for the years in question in respect of Special Activity Funds debentures.

Item 3 — The amounts required for the years in question in respect of Utility Funds debentures.

Item 4 — The total of amounts included in items 1, 2 and 3 for the years or periods in question.

Columns (2) and (3) — The amount of *principal* and *interest*, respectively, on serial debentures falling due (or maturing) in each of the years or periods in question.

Columns (4) and (5) — The amount of *sinking fund requirements* and *interest*, respectively, on sinking fund debentures for each of the years or periods in question.

Columns (6) and (7) — The total of amounts entered in columns (2) and (4), and (3) and (5), respectively, for each of the years or periods in question.

Column (8) — The amount of principal of sinking fund debentures falling due (or maturing) in each of the years or periods in question.

It will be noted that the total of columns (2) and (8) represents the total amount of the unmatured debenture debt at the close of the year under review, and should be in agreement with the Total of column (4) of Exhibit 2 (Form 2 on page 10).

(a)

**AVERAGE RATE OF INTEREST PAYABLE ON
UNMATURED DEBENTURES ASSUMED FROM
OTHER MUNICIPALITIES**

(b)

**ANALYSIS OF FUTURE DEBT CHARGES BY YEARS
(Principal or Sinking Fund Requirements and Interest)**

and

**FUTURE PRINCIPAL MATURITIES OF SINKING FUND
DEBENTURES
ON DEBENTURES ASSUMED FROM OTHER MUNICIPALITIES**

These two schedules should also be prepared and included in the report wherever applicable. The form and content of each should be the same as schedule 7 (Form 9 on page 22), and schedule 9 (Form 11 on page 24), respectively.

In the case of schedule (a) the interest rates used should be the coupon rates on the debentures as issued by the *other* municipality; and in the case of schedule (b) the amounts of principal, interest, and sinking fund requirements should be shown at the relative proportion of the total annual requirements on account of the debentures issued by the *other* municipality. (If 10% of a debenture was assumed from another municipality, 10% of the total annual principal, interest, or sinking fund requirements should be shown in this statement.)

FORM 12

COMBINED REVENUE FUNDS BALANCE SHEET

COMBINED REVENUE FUNDS BALANCE SHEET

This combined balance sheet brings together in one statement the assets and liabilities of the General, Special Activities and Utilities Revenue Funds so as to present the financial position of the municipality as to the current or ordinary aspects of its operations, that is, the provision of annual services from annual revenues. It records all current assets of each Revenue Fund which are available to meet those current obligations of each Fund incurred in the course of providing services.

If there should be so many of either Special Activity or Utility Revenue Fund Balance Sheets as to make this statement unwieldy, the balance sheets of one or both sections should be combined first at the beginning of the Section with totals carried to this Combined Revenue Funds Balance Sheet.

See the remarks on page 4 on the cross-indexing of this statement with the individual balance sheets.

**COMBINED REVENUE FUNDS
BALANCE SHEET**

As at December 31st, 19

EXHIBIT 3

	General Revenue Fund	Special Activities Revenue Funds*	Utilities Revenue Funds*	Total Revenue Funds
	\$	\$	\$	\$
ASSETS				
1. Cash	1	1	1	.....
2. Investments	2	5	2	.....
3. Accounts Receivable	3, 4, 5, 6, 7, 8	2	3	.....
4. Taxes Receivable	13			.....
5. Property Held for Sale	14	3		.....
6. Inventories	15	5	5	.....
7. Other Assets	16, 17	5	6, 7, 8	.....
8. Due from Capital and Loan Funds	9, 10, 11	4	4	.....
9. Due from Other Revenue Funds	9, 10, 11	4	4	.....
10. Due from Sinking, Reserve and Trust Funds	12	4	4	.....
11. Deficit	18	6	9	.....
12. Total	=====	=====	=====	=====
LIABILITIES				
1. Bank Overdrafts	1	1	1	.....
2. Temporary Loans	2	2	2	.....
3. Accounts Payable	3, 4, 5, 6, 7, 8, 9	3	3, 4	.....
4. Other Liabilities	14, 15	5	6, 7, 8	.....
5. Reserves	16	6	9	.....
6. Due to Capital and Loan Funds	10, 11, 12	4	5	.....
7. Due to Other Revenue Funds	11, 12	4	5	.....
8. Due to Sinking, Reserve and Trust Funds	13	4	5	.....
9. Surpluses	17	7	10	.....
10. Total	=====	=====	=====	=====

* Column for each separate fund, or if required, supplementary columnar balance sheets summarizing utilities and special activities, with totals carried to this balance sheet. Each Special Activity and Utility should be named.

SECTION B

GENERAL FUNDS

FORM 13

GENERAL CAPITAL AND LOAN FUND BALANCE SHEET

GENERAL CAPITAL AND LOAN FUND BALANCE SHEET

As at19....
(Day) (Month)

EXHIBIT 4

ASSETS

1. General Fixed (Land, Buildings, Engineering Structures, Machinery and Equipment, including Local Improvements): Schedule 10, page 44.....	\$
2. Works in Progress .....	.....
3. Due from Other Municipalities and Special District Authorities for:	
31. Debentures:	\$
32. Other Long-Term Debt: .....	.....
4. Due from School Authorities for Debentures .....	.....
5. Due from Sinking Fund for Retirement of Debentures: Exhibit 23, page 195.	.....
6. Cash .....	.....
7. Investments .....	.....
8. Accounts Receivable:	
81. Sundry .....	.....
82. Due from Other Municipalities: (Other than for Debentures) .....	.....
83. Due from Provinces .....	.....
84. Due from Dominion .....	.....
9. Due from Other Funds: (Specify)	
91. ....	.....
92. ....	.....
93. ....	.....
10. Other Tangible Assets: (Specify)	
101. ....	.....
102. ....	.....
11. Deficits and/or Extraordinary Expenditures Capitalized:	
111. ....	.....
112. ....	.....
113. ....	.....
Total Assets	\$
Guarantees and Contingent Liabilities —	
\$	
Detail shown here, or Exhibit 5 (Form 14 on Page 43).	

GENERAL CAPITAL AND LOAN FUND BALANCE SHEET

As at 19....
(Day) (Month)

EXHIBIT 4

LIABILITIES

1. Debenture Debt (Excluding Unsold Debentures): Exhibit 2, page 10	\$
2. Other Long-Term Debt:	
21. Due to Dominion of Canada	\$
22. Due to Province .....	.....
23. Due to Others: (Specify) .....	.....
3. Due to Other Municipalities and Special District Authorities for:	
31. Debentures: Schedule 3, page 16.....	.....
32. Other Long-Term Debt: Schedule 5, page 19 .....	.....
4. Temporary Loans .....	.....
5. Accounts Payable:	
51. Sundry .....	.....
52. Due to Other Municipalities (Other than for Debentures) .....	.....
53. ....	.....
54. ....	.....
6. Due to Other Funds: (Specify)	
61. ....	.....
62. ....	.....
7. Other Liabilities: (Specify)	
71. ....	.....
72. ....	.....
8. Reserves: (Specify)	
81. ....	.....
82. ....	.....
9. Investment in Capital Assets .....	.....
Total Liabilities	\$ <u>.....</u>
Local Improvement Debentures — Included in Item 1 above.	
Owner's Share	\$
Municipality's Share .....	.....
Total	\$ <u>.....</u>

GENERAL CAPITAL AND LOAN FUND BALANCE SHEET

ASSETS

1. Fixed or permanent assets of the municipality, described and valued as follows:	General Fixed
Improved or unimproved land owned by the municipality, presently in use or held for development, including rights-of-way. To be recorded at cost (purchase price) or if cost not known, at appraisal value at time of acquisition. (Does not include tax sale lands which are revenue fund assets).	Asset (Land)
Building structures, such as offices, garages and warehouses, intended to shelter persons and/or goods, machinery, equipment, and working space. To be recorded at cost (purchase price) or, if cost not known, at appraisal value at time of acquisition.	Asset (Buildings)
All permanent structural works other than buildings, such as roads, bridges, sewers, parks, retaining walls, site improvement and landscaping, to be recorded at cost (purchase price) or, if cost not known, at appraisal value at time of acquisition.	Asset (Engineering Structures)
Fixed or movable devices for performing any sort of work, such as motors, pumps, special and ordinary vehicles, electrical devices, control devices, office appliances and furniture. Such should be inventoried at the end of each year, the valuation at time of inventory being entered in the balance sheet. Do not include hand or portable tools, implements and accessories which are of nominal value or short life.	Asset (Machinery and Equipment)
Include those engineering structures financed by local improvement debentures and special assessments. All fixed assets, including additions, extensions and major improvements, whether acquired from the proceeds of debenture issues, from general revenue funds, from reserve funds, from contributions by other governments, by gift, or any combination of these, should be recorded at original cost or appraised cost, not at net cost to the municipality. (For land and buildings, it is recommended that such appraisal should be the gross assessed value as determined by the assessor, rather than market value). ¹	
Where two or more municipalities undertake a project jointly but with ownership vested in one municipality, the total value of the works should be shown as a fixed asset of the owning municipality and the contributions by the other municipality as an extraordinary expenditure capitalized.	
However, the foregoing does not apply to Suburban Roads Commissions in Ontario where contributions by cities, separated towns and counties towards capital expenditures of these commissions should be shown as extraordinary expenditures capitalized.	
Machinery and Equipment should be inventoried at the end of each year and the balance in the account adjusted through the Investments in Capital Assets Account to the valuation at time of inventory.	

NOTE: The practice of depreciating general fixed assets of a municipality is NOT recommended. All general fixed assets (other than machinery and equipment) should remain in the General Capital and Loan Funds Balance Sheet at cost as long as they exist, being written off when they are sold or cease to exist, with replacements set up at cost. (Thus retirement of debenture debt incurred for the acquisition or construction of fixed assets would be credited to General Fund Investment in Capital Assets Account, not to a depreciation reserve account.)

NOTE: However, fixed assets of Special Activities and Utilities should be shown in the individual balance sheets of those activities at cost and depreciated according to normal business practice.

¹ Fifth Dominion-Provincial Conference on Municipal Statistics.

Details of this item are shown in Schedule 10 (Form 15 on page 44).

Assets of Utilities and Special Activities should not be included here, but should be shown in the respective balance sheets of those funds. Property Acquired for Taxes is not entered here, as it is an asset of the General Revenue Fund, and should be shown in the balance sheet of that Fund.

Assets of School Authorities should be reported by those Authorities.

Works in Progress

2. Expenditures on account of fixed or permanent assets which are in process of construction (uncompleted projects). These would include capital undertakings, the cost of which is being met or is to be met out of the proceeds from debenture issues, as well as those being acquired through revenue fund budget appropriations.

Do not include here expenditures or advances on account of capital undertakings of or on behalf of Utilities and Special Activities; any such amounts provided out of General Capital and Loan Fund pending the issuance of debentures are to be reported under assets item 9. Due from Other Funds, in this balance sheet.

Due from other Municipalities and Special District Authorities for Debentures and Other Long-Term Debt

3. Amounts recoverable from other municipalities in respect of debentures unmatured and other long-term debt. Other municipalities become liable for such amounts usually as a result of annexations of territory or the joint undertaking of capital works or improvements. Also amounts recoverable from Special District Authorities in respect of debentures.

Special District Authorities become liable for such amounts usually as a result of the transfer of assets and debt from the municipality to a district organized to carry on a particular service for two or more municipalities, often in a metropolitan area, such as a metropolitan sewer district. (See list on page 64.)

This asset, offsetting the debt so incurred, should equal the unmatured debenture debt, less actuarial requirements for retirement of any sinking fund debentures.

Due from School Authorities for Debentures

4. Amounts recoverable from School Authorities in respect of debentures unmatured which were issued by the municipality on behalf of the School Authorities. This asset, offsetting the debt so incurred, should equal the unmatured debenture debt, less actuarial requirements for retirement of any sinking fund debentures.

Due from Sinking Fund for Retirement of Debentures

5. As the Sinking Fund assets, liabilities and reserves are to be reported in a separate balance sheet, Exhibit 23 (Form 41 on page 193), this item represents the amount due from the Sinking Fund for retirement of debentures and should be equal to item 1, "Actuarial Requirements for Retirement of General Funds Debentures", in the Sinking Fund Balance Sheet, which conversely is an amount due to the General Capital and Loan Fund. The credits offsetting this asset account are reflected in either items 3, 4 or 11 of the assets or item 9 of the liabilities, depending on the purpose for which the sinking fund debentures outstanding were issued; reference to this fact is made in the instructions relating to each of these items.

Cash

6. The balance of cash on hand or deposit secured from: borrowings on capital account, which would include debenture sales, temporary bank loans and borrowings from other funds; grants, subsidies, or contributions from other governments towards capital undertakings; or gifts and bequests from private sources which are to be expended for capital purposes. Also, include here the balance of proceeds from the sale of capital assets, and insurance recoveries the disposition of which has not been determined.

7. Bonds, debentures, stock, or other securities purchased for the purpose of temporarily investing cash pending the need of the funds for the purposes for which they are to be expended. **Investments**

8. Amounts due and owing on open account from sundry persons, firms or corporations, and other governments in respect of work done on their behalf out of capital or loan funds; or for balances on account of commitments made towards sharing in the cost of capital undertakings. It is important that any such receivables be classified according to the detail set out in the balance sheet. Do not include here amounts due from other funds. **Accounts Receivable**

9. Amounts due from funds of the municipality other than from Sinking Fund for Retirement of Debentures, including General Revenue Fund, Utility Funds, Special Activity Funds and Reserve Funds, for advances, contributions or for services provided, including the use of materials, supplies or equipment. These would include expenditures or advances on account of capital undertakings of Utilities and Special Activities pending the issue of debentures, as referred to in item 2, Works in Progress. The name and amount owing by each other fund should be shown separately in the balance sheet; and care should be taken to see that the corresponding liabilities of the other funds are in agreement with the amounts shown here. **Due From Other Funds**

10. Assets of a current or liquid nature, other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet, (such as mortgages, contracts or grants receivable). Any of the latter due from other governments should be shown separately. **Other Tangible Assets**

11. This item offsets any debenture debt incurred to provide funds to meet revenue fund deficits, expenses such as direct relief or extraordinary expenditures such as special grants for non-municipal hospitals, homes, etc., which normally are provided for out of yearly budget appropriations. When a debenture issue is made for such purposes, the balancing entry should be made under this item, not as a reduction of Investment in General Fixed Assets. In such cases there is no tangible or material asset acquired and the issuing of debentures merely provides means for the temporary financing of such obligations. Accordingly, such items are to be reported at an amount equivalent to the unmatured debenture debt, with the exception that when any sinking fund debentures have been issued that portion of the item should be shown less the actuarial requirements for retirement of the sinking fund debentures. **Deficits and/or Extraordinary Expenditures Capitalized**

LIABILITIES

1. The gross amount of unmatured principal outstanding in respect of debentures issued for general purposes, excluding unsold debentures. Also amounts due to the Government of Canada for loans under the *Municipal Improvements Assistance Act, 1938*, for similar provincial loans, which are secured by and repayable in the terms of general debentures issued by the Municipality. (Interim advances on incomplete general projects, should be shown under item 4 below and be separately identified there).

General
Debenture
Debt

NOTE: Debenture debt of Special Activities and Utilities should be shown in the individual balance sheets of those activities, together with amounts due to other governments for like purposes which are secured by and repayable in the terms of special activity or utility debentures.

Matured or past due instalments of general debenture principal which have not been presented for payment or are in default, or payment of which has been deferred by agreement or otherwise, are *not* to be included here, as these are a liability of the general revenue fund and should be reported in that balance sheet under item 4-41 of the liabilities.

Detail of general debenture debt should be reported in Forms 2, 3, 8 and 9. General debenture debt should include any debentures issued to finance private enterprise even though the company has undertaken to reimburse the municipality for the annual debt charges, and include also debentures issued for the purpose of making special grants which will be recorded on the asset side as Extraordinary Expenditures Capitalized.

In cases where one set of debentures has been issued covering two or more types of work, such as sewers (General Funds) and watermains (Waterworks Utility Funds), the total amount outstanding should be divided proportionately so as to provide a correct division of the debenture debt between the two funds, with only the sewer (General Funds) portion shown here, and the watermains (Waterworks Utility Funds) portion shown in the Waterworks Capital and Loan Fund Balance Sheet. Preferably, the distribution should be calculated before the debentures are issued.

2. Liabilities of Capital and Loan Funds, other than debentures or debentures assumed, which are not of a current or liquid nature, such as treasury bills and mortgages, or other liabilities payable under long-term contract or agreement.

Other Long-
Term Debt

Show separately amounts due to the Government of Canada and to the Province.

3. The amount of unmatured *principal* outstanding on account of debentures or other long-term debt assumed from other municipalities as a result of annexation of territory or the joint undertaking of capital works and improvements. (See Schedule 3 (Form 5 on page 16) and Schedule 5 (Form 7 on page 19). Include also debentures and other long-term debt assumed from Special Districts Authorities where the municipality has assumed liability for debt originally incurred in the name of the Special District, as when a portion of the area or activity of the Special District is taken over by the municipality. (See list on page 64).

Due to Other
Municipalities
and Special
District
Authorities
for
Debentures
Other Long-
Term Debt

4. Amounts owing on account of borrowings from banks or other sources for the purpose of temporary financing of capital projects, including interim advances from the Province or uncompleted projects financed from provincial loans to be secured by and repayable in the terms of general debentures issued by the municipality.

Temporary
Loans

NOTE: Do not include any borrowings for current expenditure even though such are to be funded by the issue of debentures. These are current revenue fund borrowings and are to be reported in the General Revenue Fund Balance Sheet.

**Accounts
Payable**

5. Amounts due and owing on open account to sundry persons, firms or corporations and other governments for services rendered, including labour, materials, supplies or equipment, as well as contractors' progress estimates, and expropriational claims or judgments arising from damage actions in connection with capital undertakings. Amounts due to the Federal or Provincial government or other municipalities or to Special Districts on joint expenditures or on contributions should be set out separately in detail in the balance sheet, but it is not necessary to so identify amounts due on ordinary account.

**Due to
Other Funds**

6. Amounts due to other funds of the municipality, including General Revenue Fund, Utility Funds and Special Activity Funds, on account of advances for capital purposes in lieu of temporary borrowings from banks or other sources, or for services rendered, including the use of material, supplies or equipment. *The name and amount owing to each other fund should be shown separately in the balance sheet;* and care should be taken to see that the corresponding assets of the other funds are in agreement with the amounts reported here.

**Other
Liabilities**

7. Liabilities other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet.

Reserve (s)

8. The general principles to be observed in showing reserves are set out in item 16, liabilities, General Revenue Fund Balance Sheet, on page 68. The exact nature or purpose of each reserve should be indicated.

Reserves of Utilities, and of Special Activities which are accounted for separately, are not to be included here, but should be reported in the respective balance sheets of each such fund.

**Investment
in Capital
Assets**

9. The excess of assets over liabilities and reserves in the General Capital and Loan Fund Balance Sheet. It represents the municipality's equity in Capital Assets.

GENERAL FUNDS
GUARANTEES AND
CONTINGENT LIABILITIES

As at 19
(Day) (Month)

EXHIBIT 5

Name of Principal Debtor	By-law No.	Maturity Date	Rate of Interest	Original Amount of Debt	Principal Out- standing Dec. 31st, 19	Amount of Pay- ments in Default by Debtor	Amount of Default Paid by Guarantor
(a) Other Municipalities, Spe- cial District Authorities or School Authorities							
.....	\$	\$	\$	\$
.....
.....
.....
.....
Total				\$	\$	\$	\$
(b) Private Corporations, Companies or Persons							
.....	\$	\$	\$	\$
.....
.....
.....
.....
Total				\$	\$	\$	\$
Grand Total				\$	\$	\$	\$

Note: Mark "X" opposite debts guaranteed as to principal only. Mark "Y" opposite debts guaranteed as to interest only. All other debts will be considered guaranteed as to both principal and interest.

Sinking Funds against Total of (a) Above (if any) \$
Sinking Funds against Total of (b) Above (if any) \$
Total Sinking Funds \$

Remarks: (Give explanations where necessary to assure a clear understanding in respect of any of above Guarantees. Also note here any other Indirect or Contingent Liabilities.)
.....
.....
.....

Explanatory Notes:

The purpose of this statement is to show the detail of indirect liabilities of the municipality. These exist principally in the form of "guarantees" of bonds, debentures, stock or other securities issued by other municipalities, special district authorities or school authorities or by private corporations, companies or persons, but other indirect or contingent liabilities should also be included. Do not include school debentures issued by the municipality for or on behalf of its local school authorities.

The columnar headings of the statement indicate the nature of the information required in respect of guarantees only, which should be divided between guarantees of debentures or other liabilities of other municipalities, special district authorities and school authorities (section (a)), and guarantees of liabilities of private corporations, companies or persons (section (b)). Guarantees as to principal only or interest only should be clearly identified according to instructions contained in the "note" at the foot of the statement. Sinking funds held by the issuing authority against principal guarantees should be ascertained and included in the statement by the reporting municipality. Other pertinent information in respect of any particular item or items should be noted under "Remarks" so as to assure a clear understanding of the exact nature of the guarantee.

Indirect or contingent liabilities other than guarantees should be detailed under "Remarks" at the foot of the statement.

GENERAL FIXED ASSETS **Land, Buildings, Plant and Equipment, and Engineering Structures**

As at 19
 (Day) (Month)

SCHEDULE 10

Functional Classification (1)	Land (2)	Build- ings (3)	Engineer- ing Struc- tures (4)	Machinery and Equip- ment (5)	Total (6)
1. General Government:					
11. Civic Offices	\$	\$	\$	\$	\$
2. Protection to Persons and Property:					
21. Fire Department
22. Police Department and Court Houses
23. Gaols and Other Corrective Institutions
24. Street Lighting
25. Pounds, Pest Control, Etc.
3. Public Works:					
31. Workshops, Yards and Other Buildings
32. Bridges
33. Drains and Ditches
34. Grade Separations
35. Sidewalks
36. Streets, Roads, Lanes and Alleys
37. Subways and Tunnels
38. Viaducts
39. Parking Meters and Off Street Parking
40. Waterways, Breakwaters, Harbour Develop- ment
4. Sanitation and Waste Removal:					
41. Comfort Stations
42. Garbage and Waste Collection and Disposal
43. Sewers
44. Sewage Treatment and Disposal
45. Street Cleaning and Flushing
5. Health:					
51. Health Offices
52. Clinics
53. Laboratories
6. Social Welfare:					
61. Welfare Offices
62. Charitable Institutions*
7. Recreation Services*:					
71. Amusement Parks and Playgrounds
72. Golf Courses
73. Skating Rinks and Arenas
74. Swimming Pools, Beaches and Baths
75. Community Centres and Halls
8. Community Services*:					
81. Art Galleries
82. Exhibitions and Fairs
83. Libraries
84. Markets
85. Museums
86. Parks
87. Tourist Camps
88. Weigh Scales
89. Cemeteries
9. Miscellaneous, N.O.P.: (Specify)					
91.
92.
93.
Total General Fixed Assets—Item 1, Exhibit 4	\$	\$	\$	\$	\$

* These fixed assets would appear here only when not accounted for in Special Activity Funds (See Section C, page 121, and Introduction, page vii).

Explanatory Notes: (Form 15)

This schedule shows the detail of general fixed assets in support of the corresponding item 1 of the General Capital and Loan Fund Balance Sheet, Exhibit 4 (Form 13 on page 34). It is important that a record of all such general fixed assets of the municipality be maintained either in the general ledger accounts or by means of separate inventory records. This information also forms a very important and useful part of the annual financial report as it reflects the historical development of the municipality from the standpoint of providing facilities to meet the needs of the local citizenry.

The detail afforded by this schedule, which will be found self-explanatory, provides a two-way classification, namely, the functional use of the assets as well as the physical character. These assets can be readily classified physically (i.e., as between land, buildings, engineering structures, and equipment). Municipal improvements, such as items 32 to 38 and 40 and 43 are engineering structures, and should be shown in column (4).

The functional classification follows that of the expenditures in the statement of General Revenue and Expenditure, Exhibit 10, (Form 25 on page 87), and the physical classification is described in the text of item 1 of the assets of the General Capital and Loan Fund Balance Sheet on page 34.

FORM 16

**GENERAL CAPITAL AND LOAN FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

**GENERAL CAPITAL AND LOAN FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 6

	Debit	Credit	Balance
1. Balance of Investment in Capital Assets at Beginning of Year		\$	
2. Adjustments Affecting Operations of Previous Years: (Specify)	\$		
.....			
.....			
.....			
.....			
3. Balance after Above Adjustments			\$
4. Other Adjustments Affecting Investment in Capital Assets:			
41. Assets acquired by deed or gift			
42. Assets written off			
43. Retirement of Debentures from ordinary Revenue or Sinking Fund			
44. Other			
5. Assets of Other Municipalities Acquired			
6. Liabilities of Other Municipalities Assumed			
7. Assets Transferred to Other Municipalities			
8. Liabilities Assumed by Other Municipalities			
9. Balance of Investment in Capital Assets at End of Year— Carried forward to General Capital Loan Fund Balance Sheet, Exhibit 4			\$
10. Total of Debit and Credit Columns	\$	\$	

**GENERAL CAPITAL AND LOAN FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

The purpose of this statement is to show changes during the fiscal year in the investment in capital assets item, that is, the municipality's equity in the assets of the General Capital and Loan Fund. If no such general ledger account is kept the information should be abstracted from other general accounts.

1. The balance at the beginning of the year, as indicated in the General Capital and Loan Fund Balance Sheet of the previous year.

2. Adjustments directly affecting operations of previous years are to be shown under this item, such as adjustments and corrections to asset and liability figures set out in the balance sheet of the previous year. Only the net result of entries of a similar character should be shown.

3. Extend the balance of the account after giving effect to the adjustments shown under item 3.

4. Other adjustments affecting Investment in Capital Assets; such as the entry of assets acquired without making expenditure or incurring debt; such as the writing down or writing off of assets; and also the reduction of general funds debenture debt by repayment from general revenue or from sinking fund, which, because the asset remains in the records at cost, means an increase in the credit balance of investment in capital assets account.

Items 5 to 8 below should record similar transactions involving the province, special district authorities and school authorities. 5 may offset 6 and 7 may offset 8, but the entries should be made to record and report on the transaction; but often this may not be so, with a resultant change in the balance.

5. Assets of other municipalities acquired through annexation of territory, and assets resulting from joint undertakings of capital works.

6. Liabilities of other municipalities assumed through annexation of territory, and liabilities resulting from joint undertakings of capital works.

7. Assets transferred to other municipalities as a result of loss of territory or changes in municipal organization.

8. Liabilities assumed by other municipalities as a result of loss of territory or changes in municipal organization.

9. The balance of the account should be extended opposite this item, and also be entered in the debit or credit column as required, so as to permit balancing the account. This balance should agree with item 9, Investment in Capital Assets, of the liability side of the General Capital and Loan Fund Balance Sheet, Exhibit 4 (Form 13, on page 35).

FORM 17

**GENERAL CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

GENERAL CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Fiscal Year Ended 19
 (Day) (Month)

EXHIBIT 7

Source of Funds (Funds Provided)

1. Unexpended Funds (from previous year)*: (Specify by Project)		
11.	\$	
12. ....	.....
13. ....	.....
14.	\$	
2. Debentures:		
21. Authorized .....	.....
22. Less Unissued and Unsold .....	.....
23. Provided by Issuance and Sale of Debentures (Par Value) .....	.....
3. Provided by Other Long-Term Borrowings from:		
31. Dominion and its Enterprises (Specify) .....	.....
32. Province and its Enterprises (Specify) .....	.....
33. Other (Specify) .....	.....
4. Provided by Commuted Local Improvement Levies		
5. Provided by General Revenue Fund for:		
51. Acquisition of General Fixed Assets .....	.....
52. Debenture Discount .....	.....
6. Provided by Utility and Special Activity Funds: (Specify)		
61. ....	.....
62. ....	.....
63. ....	.....
7. Provided by Reserve Funds: (Specify)		
71. ....	.....
72. ....	.....
8. Provided by Sale of Fixed Assets		
9. Provided by Insurance Recoveries		
10. Provided by Grants-in-Aid or Shared-Cost Contribution from:		
101. Dominion .....	.....
102. Province .....	.....
103. Other Municipalities .....	.....
104. ....	.....
11. Provided by Gifts		
12. Interest and Exchange:		
121. Interest on Bank Deposits .....	.....
122. Interest on Temporary Investments .....	.....
123. Interest on Debentures Sold .....	.....
124. Gain on Foreign Exchange .....	.....
13. Premium on Debentures		
14. Other: (Specify)		
15. Overexpenditure (to be provided): (Specify by Project)		
151. ....	.....
152. ....	.....
153. ....	.....
154. ....	.....
16. Total		\$

* These unexpended funds are represented on the General Capital and Loan Fund Balance Sheet of the previous year by:

Cash	\$
Investments .....	.....
Accounts Receivable .....	.....
	\$

GENERAL CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 7

Application of Funds (Expenditure)

1. Overexpenditure of Previous Year Provided: (Specify by Project)

11. \$

12.

13.

14. \$

2. Expenditure for General Fixed Assets: (Give detail in form 18, page 58.)

3. Expenditure for Special Activity Fixed Assets: (Specify)

31.

32.

33.

4. Expenditure for Utility Plant from Utility Contributions: (Item 6 of Revenue)

41.

42.

5. Expenditure for School Assets or Debenture Funds Transferred to School Authorities

6. Extraordinary Expenses Capitalized: (Specify)

61.

62.

7. Retirement of Debentures or Sinking Fund Contributions from Excess Capital Funds

8. Interest on Temporary Borrowings and Bank Charges

9. Loss on Foreign Exchange

10. Cost of Issuing and Selling Debentures

11. Discount on Sale of Debentures — If not provided by Revenue Fund

12. Other: (Specify)

13. Unexpended Funds*: (Specify by Project)

131.

132.

133.

134.

14. Total \$

* These unexpended funds are represented in the General Capital and Loan Fund Balance Sheet (Exhibit 4) by:

Cash \$

Investments

Accounts Receivable

\$

**GENERAL CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

Source of Funds (Funds Provided)

1. Funds accrued in previous years and available in the general capital and loan fund for expenditure, such as unexpended proceeds from the sale of debentures, from the sale of assets, from insurance proceeds, from gifts or from grants. These funds are not to be confused with cash-on-hand, though much of the amount may be held in cash; they may also take the form of investments, accounts receivable, amounts due from other funds and amounts due from other authorities; therefore they will be recorded in the previous year's capital and loan fund balance sheet within these various categories, but will be identified only when brought together under this item, and then only in total for each project, though they must be separable in the detail of the financial records, and should be summarized in a footnote to this statement.

**Unexpended
Funds**

2. Par value of debentures issued and sold; that is, the gross amount added to the debenture debt of the general capital and loan fund. Par value should be recorded here, though the total amount available for capital expenditure will be more or less than this amount, depending on the premiums and/or discounts recorded in item 13 below on the source side and item 11 on the application side, unless these are absorbed by general revenue fund, which treatment will depend upon legal requirements or accounting practice, and under which treatment premiums would not appear in this statement, while discounts shown under item 11 on the application side would be offset by item 5-52 below, on the source side. See item 17 of the assets and item 15 of the liabilities in the general revenue fund balance sheet on pages 60 and 61 respectively.

**Provided by
Sale of
Debentures**

3. Proceeds of long-term loans incurred to provide funds for capital expenditure. Loans should be identified, and those from other governments should be set out separately. Agreements to repay advances by the province pending debenture issues should be included.

**Provided by
Other
Long-Term
Borrowings**

4. Proceeds of such commutation before the issuance of debentures which enables the money to be used for the acquisition of assets. Subsequent commutation would be held in trust for application on debt charges.

**Provided by
Commutated
Local
Improvement
Levies**

5. Amounts provided by general revenue fund to general capital and loan fund for the acquisition of general fixed assets. Whether the capital expenditure is made directly from revenue fund or the money is transferred to capital fund for the acquisition of the asset or as part of the cost of acquisition, the revenue fund should show only a contribution to capital and loan fund of the total of such amounts under item 13 of expenditure in Exhibit 10. A corresponding entry here would record the amount of such transfers and/or expenditures, and expenditure for acquisition of assets would appear, properly classified, on the application of funds (expenditure) side of this source and application statement under item 2. Show here also, separately, amounts received from general revenue fund to reimburse general capital and loan fund for discount on sale of debentures which has reduced the amount available therefrom below the cost of the asset.

**Provided by
General
Revenue
Fund**

6. Transfers from revenue or surplus of utility and special activity funds, *only* where such capital expenditures from these funds *must* be made through general funds (e.g. in British Columbia). Otherwise these would be reported in the statements of the utility or special activity funds.

**Provided by
Utility and
Special
Activity Funds**

7. Amounts provided by reserve funds for the acquisition of general fixed assets. When the assets of such funds are to be used for capital expenditure, they should be transferred to the capital fund, or the transaction should be recorded as if such had occurred, as described in item 5 above.

**Provided by
Reserve Funds**

Provided by
Sale of
Fixed Assets

8. Funds acquired by the sale of fixed assets and available for application in the purchase of replacements or other assets, or to repay debt outstanding against the assets sold. Trade-in allowances should be included.

Provided by
Insurance
Recoveries

9. Funds acquired from insurance loss settlements on fixed assets destroyed, and available for application in the purchase of replacement or other assets, or to repay debt outstanding against the assets destroyed.

Provided by
Grants-in-
Aid or
Shared-Cost
Contributions

10. Assistance from other governments towards the cost of general fixed assets. All such contributions for *capital projects* should appear here, as for instance, grants for road and street construction (grants for road maintenance should appear in general revenue fund).

Provided by
Gifts

11. Assistance by way of gifts of cash from private firms, individuals, organizations, etc., towards the cost of general fixed assets. Gifts of general fixed assets should be recorded through investment in general fixed assets account so as to appear in the capital and loan fund balance sheet.

Interest and
Exchange

12. Interest earned on funds of the general capital and loan fund invested pending their use, and on bank deposits; gain on foreign exchange. Also interest received on debentures sold after the date of issue at sale price plus interest.

Premium on
Debentures

13. Proceeds from debentures over and above face value where such accrues to capital rather than to revenue fund and which may be used to acquire fixed assets or reduce debenture debt.

Other

14. Sources of funds other than that classified in items 2 to 13 above; such revenue should be itemized.

Overex-
penditure
(To be
Provided)

15. The amounts by which expenditures on certain projects (specify projects and amounts) have during the year exceeded the funds provided, and which must in a future period be made up by debenture issue, by contributions from general revenue fund, or in some other way.

Application of Funds (Expenditure)

Overex-
penditure
of Previous
Years
Provided

1. Amounts applied against overexpenditure in previous years on certain projects (specify projects and amounts) for which sufficient funds had not been made available, and for which in the current year funds were obtained through debenture issue, contributions from general revenue fund, or in some other way.

Expenditure
for General
Fixed Assets

2. Expenditure made for the acquisition or construction of general fixed assets, including engineering and architectural fees. This item should include all expenditure for general fixed assets, and any such expenditure made from general revenue fund or a reserve fund should be recorded in this fund in items 5 or 7 on the source side, as a contribution to general capital and loan fund, and the expenditure should be shown under this item. Detail to be given in Form 18, (page 58). (Expenditures to be shown gross, trade-ins appearing in Source item 8.)

Expenditure
for Special
Activity
Fixed Assets

3. Expenditure for special activity fixed assets (see page 58) where it is required that such expenditure be made through general capital and loan fund account rather than through special activity capital and loan fund account. Specify each special activity and amount.

4. Expenditure for utility plant (see page 58) where it is required that such expenditure be made through general capital and loan fund account rather than through utility capital and loan fund account. (See item 6 on source side.) Specify each utility and amount.

Expenditure
for Utility
Plant from
Utility
Contributions

5. Expenditure for school authority assets where it is required that such expenditures be made through general capital and loan fund account rather than by the school authority, or debenture proceeds transferred to school authorities where it is required that the funds be raised by the municipality and be transferred to the school authority for expenditure. Capital funds raised and spent by the school authority itself should be reported only in the accounts of that authority.

Expenditure
for School
Assets or
Debenture
Funds Trans-
ferred to
School
Authorities

6. Revenue fund deficits, relief expenditures and other expenditures capitalized, through which no offsetting fixed asset is acquired. An example of the latter would be a capital grant to a non-municipal hospital from debenture funds.

Extraordinary
Expenditures
Capitalized

7. Expenditure for retirement of debentures or contribution to sinking fund from unused debenture funds or from proceeds of the sale of general fixed assets or insurance losses against which debentures are outstanding, when these must or may be so applied.

Retirement of
Debentures or
Sinking Fund
Contributions
from Excess
Capital Funds

8. Bank and other interest on temporary borrowings for general capital and loan fund purposes; also exchange and other bank charges.

Interest
and Bank
Charges

9. The expense due to unfavourable exchange rates in obtaining foreign loans, on their repayment, and on foreign funds where such is chargeable to general capital and loan fund.

Loss on
Foreign
Exchange

10. When chargeable to general capital and loan fund, but not when chargeable to the specific project, when it would be included in items 2 to 5 above.

Cost of
Issuing and
Selling
Debentures

11. When chargeable to general capital and loan fund, as when paid in one year, and not amortized through general revenue account. (See item 5 of source side.)

Discount on
Sale of
Debentures

12. Application of funds other than classified in items 2 to 11 above; such expenditure should be itemized.

Other

13. Funds unexpended at the end of the year and available in general capital and loan fund for expenditure in future periods, such as unexpended proceeds from the sale of debentures, from the sale of assets, from insurance proceeds, from gifts or from grants. These funds are not to be confused with cash-on-hand though much of the amount may be held in cash; they may also take the form of investments, accounts receivable, amounts due from other funds and amounts due from other authorities; therefore they will be recorded in the capital and loan fund balance sheet within these various categories, but will be identified only when brought together under this item, and then only in total for each project, though they must be separable in the detail of the financial records, and should be summarized by footnote in this statement.

Unexpended
Funds

**GENERAL CAPITAL AND LOAN FUND
EXPENDITURE FOR GENERAL FIXED ASSETS**

For the Fiscal Year Ended 19
(Day) (Month)

SCHEDULE 11

Functional Classification (See Schedule 10, Form 15 on page 44) (1)	Land (2)	Buildings (3)	Engineering Structures (4)	Machinery and Equipment (5)	Total (6)
1. General Government	\$	\$	\$	\$	\$
2. Protection to Persons and Property....
3. Public Works (See also Schedules W and Z on pages 310 and 314
4. Sanitation and Waste Removal
5. Health
6. Social Welfare
7. Recreation Services
8. Community Services
9. Miscellaneous
Total Expenditure for General Fixed Assets	\$	\$	\$	\$	\$

Explanatory Notes:

For explanations of the *physical character* descriptions in columns 2 to 5, see page 37 of the text on the General Capital and Loan Fund Balance Sheet, Exhibit 4.

Column (1) — Using the main functional headings 1 to 9 of Schedule 10, Form 15 on page 44, list under each by activity name (e.g. fire department) or by description (e.g. fire hall, fire engine), all expenditures and show the gross cost (net of trade-ins, grants, etc.) applicable under each of columns (2) to (5), totalling in column (6).

Column (2) — Land: The cost (purchase price) of land acquired by the municipality for its own use.

Column (3) — Buildings: The cost of constructing or purchasing buildings.

Column (4) — Engineering Structures: The cost of constructing or purchasing engineering structures.

Column (5) — Machinery and Equipment: The gross cost (purchase price) of machinery and equipment.

Items 1 to 9: Where it is required that certain expenditure for special activity fixed assets must be made through general funds these should be reported here and be identified under the function which they serve (e.g. *home for the aged* under item (6), Social Welfare). Where it is required that certain expenditure for utility or school fixed assets must be made through general funds, these should be reported here, separately identified under item 9. The above situations will be of rare application.

FORM 19

GENERAL REVENUE FUND BALANCE SHEET

GENERAL REVENUE FUND BALANCE SHEET

As at 19....
(Day) (Month)

EXHIBIT 8

ASSETS

1. Cash	\$
2. Investments .....	.....
3. Accounts Receivable:	
31. Sundry Accounts and Rents Receivable	\$
32. Agreements .....	.....
33.	\$
Less: Allowance for Doubtful Accounts 165 (1651) .....	.....
4. Due from Other Municipalities: (Specify)	
41. For Payment of Debentures .....	.....
42. ....	.....
5. Due from Province: (Specify)	
51. ....	.....
52. ....	.....
6. Due from Dominion of Canada: (Specify) .....	.....
7. Due from School Authorities .....	.....
8. Due from Special District Authorities: (Specify) .....	.....
9. Due from General Capital Fund .....	.....
10. Due from Special Activities: (Specify)	
101. ....	.....
102. ....	.....
11. Due from Utilities: (Specify)	
111. ....	.....
112. ....	.....
12. Due from Other Funds: (Specify)	
121. ....	.....
122. ....	.....
13. Taxes Receivable:	
131. Taxes (Principal only) .....	.....
132. Interest and Penalties on Taxes Receivable .....	.....
133. Tax Arrears Agreements .....	.....
Less Allowances for:	
Uncollectible Taxes 165 (1652) .....	.....
Interest on Taxes Receivable 165 (1653) .....	.....
14. Property Acquired for Taxes:	
141. Subject to Redemption .....	.....
142. Deeded to Municipality .....	.....
Less: Allowance for Loss on Property Acquired for Taxes 165 (1654) .....	.....
15. Inventories .....	.....
16. Accrued Items: (Specify)	
161. ....	.....
162. ....	.....
17. Other Assets: (Specify)	
171. ....	.....
172. ....	.....
18. Deficit .....	.....
 Total Assets	 \$

GENERAL REVENUE FUND BALANCE SHEET

As at19....
(Day) (Month)

EXHIBIT 8

LIABILITIES

1. Bank Overdrafts	\$
2. Temporary Loans .....	.....
3. Accounts Payable .....	.....
4. Debentures and Coupons Due:	
41. Principal	\$
42. Interest .....	.....
5. Due to Other Municipalities:	
51. Due for Payment of Debentures:	
511. Principal	\$
512. Interest .....	.....
52. ....	.....
6. Due to Province: (Specify)	
61. ....	.....
62. ....	.....
63. ....	.....
7. Due to Dominion of Canada: (Specify) .....	.....
8. Due to School Authorities .....	.....
9. Due to Special District Authorities: (Specify) .....	.....
10. Due to General Capital and Loan Fund .....	.....
11. Due to Special Activities: (Specify)	
111. ....	.....
112. ....	.....
12. Due to Utilities: (Specify)	
121. ....	.....
122. ....	.....
13. Due to Other Funds: (Specify)	
131. ....	.....
132. ....	.....
14. Accrued Items:	
141. ....	.....
142. ....	.....
15. Other Liabilities:	
151. ....	.....
152. ....	.....
16. Reserves for:	
161. Undetermined Future Losses on Assets: (Specify)	
1611. Uncollected Taxes .....	.....
1612. ....	.....
162. Contingencies: (Specify)	
1621. ....	.....
1622. ....	.....
163. Future Expenditures: (Specify)	
1631. ....	.....
1632. ....	.....
164. Working Funds: (Specify)	
1641. ....	.....
1642. ....	.....
17. Surplus .....	.....
Total Liabilities	\$

GENERAL REVENUE FUND BALANCE SHEET

ASSETS

1. The balance of cash on hand or deposit in all general or special drawing or deposit accounts for banking transactions covering operations or other purposes relating to the revenue fund. Special accounts in which are deposited amounts to meet specific commitments out of revenue fund, such as for "debentures and coupons" should also be included as well as advances to or balances on hand in imprest and petty cash accounts. Outstanding cheques should be deducted from bank balances, and not shown separately as a liability.

Cash

2. Bonds, debentures, stock, or other securities purchased or acquired for the purpose of temporarily investing cash pending the need of the funds for the purposes for which originally intended. Where investments of a more permanent nature are legally permitted, such as in shares of cooperatives, etc., these would be shown here also.

Investments

3. Amounts due and owing *on open account* by sundry persons, firms, corporations and governmental bodies. Amounts due from other governments under contracts or agreements, or on account of contributions should appear under items 4 to 8. The gross amounts should be shown, with allowance for uncollectibles deducted, so as to arrive at the net value of the asset. Rents include amounts owing on account of rentals of municipally-owned property including that acquired for taxes.

Accounts
Receivable

Amounts receivable which are covered by special agreements providing for specific terms as to time and mode of payment, such as would arise from the sale of municipally-owned property when the purchase price is paid in instalments, should be shown separately as indicated in the balance sheet. Other amounts receivable, which are of a special character from the standpoint of security for repayment or liquidity of the account, should also be shown separately.

4. Amounts due and owing by other municipalities, other than open accounts resulting from the sale of goods and services. It is important that any such receivables be shown here and not be included as ordinary accounts receivable under item 3. Amounts due on account of debentures assumed should be shown separately; these would represent *past due* payments of principal or interest. [The unmatured portion of any such debentures assumed would be shown under item 3 of the General Capital and Loan Fund Balance Sheet, Exhibit 4 (Form 13 on page 34); (see explanation on page 38).

Due from
Other Munic-
ipalities

5. Amounts due and owing by the Provincial Government for *Unemployment Relief, Road or Highway maintenance subsidies*, or other purposes. It is important that any such receivables be shown here and not be included as ordinary accounts receivable under item 3, which would include only open accounts arising from the sale of goods and services to the province.

Due from
Province

6. Amounts due and owing by the Dominion of Canada, such as for direct grants or subsidies for research enterprises or other purposes as well as for advances out of revenue funds in connection with Federal works or other projects. It is important that any such receivables be shown here and not be included as ordinary accounts receivable under item 3, which would include only open accounts arising from the sale of goods and services to the Dominion.

Due from
Dominion of
Canada

7. Amounts due and owing by school authorities, whether local boards wholly or partially within the municipality, or enlarged units containing all or part of the municipality.

Due from
School
Authorities

Due from
Special
District
Authorities

8. Amounts due and owing for advances out of revenue funds, or for services provided, including the use of materials, supplies or equipment, or for other purposes from specially created municipal organizations which are not under the control or jurisdiction of the council of any municipality. These would include the following (not necessarily a complete list):

NOVA SCOTIA—

Joint Expenditure Boards.
Villages and Commissions.
Public Service Commission of Halifax.

QUEBEC—

Montreal Metropolitan Corporation.

ONTARIO—

Suburban Roads Commissions.
Health Units.
Welfare Units.
Interurban Administrative Areas.

MANITOBA—

Hospital Districts.

SASKATCHEWAN—

Local Improvement Districts.
Health Regions.
Union Hospital Districts.

ALBERTA—

Improvement Districts.
Municipal Hospital Districts.

BRITISH COLUMBIA—

Greater Vancouver Sewerage and Drainage District.
Greater Vancouver Water District.
Greater Victoria Water District.
Greater Nanaimo Water District.
Improvement Districts.
Dyking District Boards.
Drainage Districts.
Irrigation Districts.
Metropolitan Areas.

Amounts due from Local Improvement Districts in New Brunswick and Ontario, Local Government Districts in Manitoba, special Commissions in New Brunswick, and Park Commissions in Ontario should not be included here, but should appear under item 4.

The name of, and amount owing by each Special District Authority should be shown separately in the balance sheet; and care should be taken that the liabilities of the Special District Authorities are in agreement with the assets shown here.

Also, do not include here debit balances with respect to levies for Districts and Special Areas (if financial reports are not provided) in Nova Scotia; Police Villages and Special Areas in Ontario; Village District Committees in Manitoba, and Special Urban Areas in British Columbia. These are subsidiary to the municipality within which they are constituted, and generally do not prepare their own accounting statements. Hence overpaid levies on their account should not be shown here, but rather as deferred expenditure under item 17, Other Assets. Similarly, unpaid levies should be shown as deferred revenue under item 15, Other Liabilities. See explanations pages 229 to 247, and Form 51 on page 250.

9. Amounts due from the General Capital Fund for advances pending capital financing, as well as for materials, supplies, equipment and the use of equipment. Due from
General
Capital
Fund

10. Amounts due and owing by Special Activities (see list on page 123) for unremitted surplus, for advances out of General Revenue Fund, for services, materials, or use of equipment, or for other purposes. See *note* after item 11. Due from
Special
Activities

11. Amounts due and owing by Utilities (see list on page 157), for unremitted surplus, for advances out of General Revenue Fund, for services, materials or use of equipment, or for other purposes. See *note* after this item. Due from
Utilities

NOTE: The name of each fund (utility, special activity), and whether capital or revenue should be indicated in items 10 and 11, together with the amount owing by each; and care should be taken that the liabilities in the contra balance sheets are in agreement with the assets shown here.

12. Amounts due and owing by funds other than those described in items 9 to 11. Due from
Sinking,
Reserve and
Trust Funds

Include here and specify amounts due from sinking fund, which would include ordered withdrawals therefrom, for revenue purposes not paid over at the close of the fiscal period; temporary advances for the payment of matured sinking fund debentures pending the liquidation of securities held as investments on that account in the sinking fund; and overpayments of deposits into the sinking fund.

13. The total of *all taxes* levied by the municipality which remained unpaid at the date of the balance sheet, *including interest and/or penalties* accrued thereon, and amounts outstanding under *agreements* that have been entered into for the consolidation of tax arrears. Interest or penalties would include those which, *by statute*, are required to be added as well as other penalties that may be added by *by-law* of the municipality; wherever possible these should be shown separately from the principal amount of taxes outstanding as indicated by the detail in the balance sheet. Also show separately amounts outstanding under tax consolidations (tax arrears agreements). Detail of this item is shown in Schedules 12 and 13 (Forms 20 and 21 on pages 70 and 72). Taxes
Receivable

The gross amount should be shown, in such detail as to how it is made up as may be required (e.g. sub-items 131 to 133); from which should be deducted total allowances provided for uncollectible taxes, so as to arrive at the net value of the asset.

14. The book value of properties acquired or purchased by the municipality at land tax sales for arrears of taxes, or by tax certificate registration, or other procedure for the same purpose. Properties which are still *subject to redemption* by the former owners or other interested parties should be shown separately from those for which the period of redemption has expired and title is *vested in the name of the municipality*, as indicated in the balance sheet. All properties in the latter category should be reported accordingly even though the tax title deeds have not actually been executed or registered by the municipality. Detail of this item is shown in Schedule 14 (Form 22 on page 74). Provincial Acts must be adhered to, of course, where they specify procedure which differs from the above. Properties
Acquired
for Taxes

When such properties are sold on the instalment plan the profit or loss on the sale should be written off and the amount owing by the purchaser transferred to item 3, *Accounts Receivable*. (The practice of applying the instalment payments against the book value until the purchase price is paid in full should not be followed except in those provinces where the legal requirements respecting such sales make it necessary that this be done.) When tax sale property which has been sold is repossessed because of non-payment of amounts owing, the asset should be transferred back to this item from *Accounts Receivable*. Here again the legal requirements respecting reinstatement of taxes against such properties should govern the basis upon which the book value of the property is shown.

The gross amount should be shown, from which should be deducted total allowances provided for losses on the realization of these assets.

Inventories

15. The inventory value of consumable goods or supplies on hand.

Accrued
Items

16. Revenues earned but not yet due such as accrued interest on investments or accrued rentals. The exact nature of any such accrued items should be clearly indicated in the balance sheet.

Other Assets

17. Assets of the revenue fund other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet. For instance the balance of "Tax Sale Account" at the end of the fiscal period, detail of which is shown in Schedule 15 (Form 23 on page 76), would be included here, as well as "Prepaid Expenses" such as unexpired insurance premiums, relief expenditures to be funded or others of a similar character. Care should be exercised, however, to see that no asset is shown here which should properly be shown under any of the other items.

Unamortized discount on general fund debentures, if carried in the accounts, should be shown here, identified as a deferred charge.

Deficit

18. The amount by which the liabilities and reserves of the general revenue fund exceed the assets.

LIABILITIES

Bank
Overdrafts

1. The (total of) amount(s) by which the bank account(s) for transactions covering operations or other purposes relating to the general revenue fund, are overdrawn.

Temporary
Loans

2. Amounts owing on account of borrowings from banks or other sources for the purpose of temporary financing pending the collection of taxes or other revenues.

Accounts
Payable

3. Amounts due and owing on open account to sundry persons, firms or corporations, and governmental bodies (see 5, 6 and 7). Include all accounts covering expenditures during the current or previous fiscal periods which had not been paid at the close of the current fiscal period.

Debentures
and Coupons
Due

4. The amount of debenture principal and/or interest coupons which were past due but unpaid at the close of the fiscal period. Normally these are outstanding due to non-presentation for payment or the fact that the due date is too close to the end of the fiscal period to permit payment to be made therein; but any maturities (principal or interest) in default, or payment of which has been deferred by agreement or otherwise, should also be included. Do not include here accrued interest on outstanding debentures; if it is the practice to accrue debenture

ture interest such should be shown under item 14. Also, do not show here any debenture principal or interest pre-levies [i.e., levies made in the current fiscal period on account of debenture maturities (principal or interest) which are not due and payable until a date in the following fiscal period]; such should be shown under item 15.

Amounts owing on account of debentures or coupons redeemed by the Province as guarantor should be shown as a liability "Due to Province" under item 6; and the same procedure should be followed with respect to guaranteed debentures or coupons redeemed by other guarantors.

5. Amounts due and owing to other municipalities. It is important that any such payables be shown separately and, other than open accounts resulting from the purchase of goods and services, not be included as ordinary accounts payable under item 3. Amounts owing on account of past due payments of principal or interest in respect of debentures assumed should be shown separately. [The unmatured portion of any such debentures assumed would be shown under item 3 of the General Capital and Loan Fund Balance Sheet, Exhibit 4 (Form 13 on page 35)]; (see explanation on page 40).

**Due to
Other Munic-
ipalities**

6. Amounts due and owing to the Provincial Government, such as for the implementation of guaranteed bank loans, debentures or interest coupons or for other advances. It is important that any such liabilities be shown here and, other than open accounts resulting from the purchase of goods and services from the province, and amounts due for deductions from payrolls for workmen's compensation or for other purposes, not be included as ordinary accounts payable under item 3.

**Due to
Province**

7. Amounts due and owing to the Dominion of Canada. It is important that any such liabilities be shown here and, other than open accounts resulting from the purchase of goods and services from the Dominion, and amounts due for deductions from payrolls for income tax or for other purposes, not be included as ordinary accounts payable under item 3.

**Due to
Dominion of
Canada**

8. Amounts due and owing to school authorities, whether local boards wholly or partially within the municipality, or enlarged units containing all or part of the municipality.

**Due to
School
Authorities**

9. Amounts due and owing for services provided, including the use of materials, supplies or equipment, or for other purposes, including levies, to specially created municipal organizations which are not under the control or jurisdiction of the council of any municipality. These would be as listed in item 8 of the assets.

**Due to
Special
District
Authorities**

The name of, and amount owing to, each Special District Authority should be shown separately in the balance sheet; and care should be taken that the liabilities shown here are in agreement with the assets of the Special District Authorities.

10. Amounts due and owing to the General Capital and Loan Fund on contributions towards capital projects, and for other purposes.

**Due to
General
Capital and
Loan Fund**

11. Amounts due and owing to Special Activities (see list on page 123) for borrowings for general revenue fund purposes from Special Activities, for services, materials or the use of equipment, or for other purposes. See *note* after item 12.

**Due to
Special
Activities**

Due to
Utilities

12. Amounts due and owing to Utilities (see list on page 157) for borrowings for general revenue fund purposes from Utilities, for services, materials or the use of equipment, or for other purposes. See *note* after this item.

NOTE: The name of each fund (utility, special activity), and whether capital or revenue, should be indicated in items 11 and 12, together with the amount owing to each; and care should be taken that the assets in the contra balance sheets are in agreement with the liabilities shown here.

Due to
Sinking,
Reserve and
Trust Funds

13. Amounts due and owing to funds other than those described in items 10 to 12, including any amount due to Sinking Fund.

Accrued
Items

14. Amounts representing expenditures of the current fiscal period, but which are not due and payable in the fiscal period, such as accrued interest on temporary loans or other notes payable. Also include here accrued interest on outstanding debentures, if such a practice is followed. The exact nature of each item should be clearly indicated in the balance sheet.

Other
Liabilities

15. Liabilities of the revenue fund other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet. For instance, if it is the practice to provide in the yearly tax levies for debenture maturities, principal or interest, in advance of their due date (i.e., levy in one year for maturities due in the next, or following years) the liability reflecting such "pre-levies" would be reported under this item as "Deferred Revenue-Debtenture Levies in Advance of Maturity". Also include here other prepaid or deferred revenues as well as the unexpended balance of levies against "special areas" of the municipality; the latter may arise from the fact that certain services such as garbage, sewerage, police or fire protection, etc., are provided only in limited areas of the municipality, and the costs or expenditures are kept separate and levied against the specific area benefited. The levies in such instances very rarely, if ever, exactly equal the expenditures so that there is usually a balance carried over from year to year. Credit balances on account of such levies would thus be shown here; and debit balances shown under the corresponding item 17 of the assets.

Unamortized premium on general fund debentures, if carried in the accounts, should be shown here, identified as a deferred revenue.

Reserves for:

16. Reserves of the General Revenue Fund are the net accumulation on the liabilities side of the balance sheet of appropriations made from revenue or surplus to ensure the availability of funds for certain purposes or contingencies, and are not to be confused with Allowances for expected loss on the realization of assets, which are deducted from the assets. Reserves when used, should be brought back into revenue under item 11.

The following are the general types of reserves; each reserve listed in the balance sheet should be separately and adequately designated:

Undetermined
Future Losses
on Assets

The balance of amounts provided as reserves for losses on assets over and above Allowances, usually for the purpose of establishing a financing reserve, as in the next paragraph.

Working
Funds

In Ontario, some municipalities may have a *reserve for uncollected taxes*. This differs from an allowance for uncollectible taxes, in that it is based on the amount of taxes, which although collectible, may not be collected during the year in which levied. It is thus, in effect, a "financing" reserve, and should be kept separate from others relating to taxes receivable.

Contingencies

The balance of amounts provided as reserves against undetermined liabilities, such as for damages arising out of court action. Each such reserve should be specified.

The balance of amounts provided as reserves for the replacement or acquisition of fixed assets, or for the provision of services, expenditures for which will be made at a future date. Each such reserve should be specified. **Future Expenditures**

NOTE: Reserves, when to be used, should be brought back into revenue through item 11 (112) of the statement of revenue and expenditure.

NOTE: Reserve Funds, established for particular purposes with separate accounts, should appear in section "F," page 213.

NOTE: Reserves for liabilities for services rendered, but for which invoices or accounts have not been received, should not be shown here, but as liabilities in the item to which the expenditure would properly be classified.

17. The amount by which the assets of the general revenue fund exceed the liabilities and reserves. **Surplus**

TAXES RECEIVABLE

As at 19
(Day) (Month)

SCHEDULE 12

Detail	Total	Current Year's Levy 19	Prior Years' Arrears		
(1)	(2)	(3)	19 (4)	19 (5)	19 & Prior (6)
1. Balance January 1, 19 (Including Penalties and Interest)...	\$	\$	\$	\$	\$
2. Current Year's Levy
3. Penalties or Interest Added
4. Other: (Specify)
5. Total Debits	\$	\$	\$	\$	\$
6. Tax Collections —					
61. Cash (Taxes only)	\$	\$	\$	\$	\$
62. Discounts Allowed
63. Penalties or Interest
7. Total Collections	\$	\$	\$	\$	\$
8. Transferred to Tax Sale Account
9. Transferred to Tax Arrears Agree- ments
10. Adjustments re: Cancellations or Reductions, etc.
11. Other: (Specify)
12. Total Credits	\$	\$	\$	\$	\$
13. Balance December 31, 19 Item 13, Exhibit 8	\$	\$	\$	\$	\$

Explanatory Notes: (Form 20)

This schedule shows details of transactions relating to *current* and *arrears of taxes* during the year under review and supports the corresponding items 13(131) and (132) in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 60). Column (1) shows the detail on the basis of which the analysis should be made, the various items of which are explained below. Column (2) is for the totals of transactions relating to both current and arrears of taxes combined which are obtained by adding together the amounts entered opposite each item of the detail in columns (3), (4), (5), and (6). Column (3) is for the detail of transactions relating to the current year's levy and columns (4), (5), and (6) are for details relating to prior years' arrears, respectively.

Item 1 — Tax arrears outstanding, including, penalties and interest, at the beginning of the year.

Item 2 — Taxes levied for the year under review. This should agree with the Total Taxation Revenue and Charges, as shown in item 5 or Schedule 16 (Form 26 on page 114).

Item 3 — Amount added, charged or accrued during the year under review (whether or not collected), in respect of penalties that may be added by by-law of the municipality, or in respect of interest or penalties that are specifically required to be added by statute.

Item 4 — Use only if necessary as in case of arrears on properties previously transferred to tax sale account which were not sold or purchased by the municipality either at the original or adjourned sale, which would necessitate the transfer of such arrears back to the taxes receivable ledgers.

Item 5 — Total of items 1, 2, 3 and 4.

Item 6 (61)— Actual cash collected during the year under review on account of both current and arrears of taxes, but excluding penalties or interest thereon collected, which should be shown under item 6 (63) below.

Item 6 (62)— Discounts allowed during the year under review for either the prepayment or prompt payment of *current taxes*. If any discounts are allowed on account of prior years' arrears such should be shown under item 11 below.

Item 6 (63)— Actual cash collected during the year on account of penalties or interest in respect of both current and arrears of taxes.

Item 7 — Total of items 6 (61), (62) and (63).

Item 8 — Taxes, including penalties or interest, which were transferred to tax sale account, in respect of properties included in the tax sale for the current year. See complementary item 1 in section (b) of Schedule 15 (Form 23 on page 76).

Item 9 — Taxes, including penalties or interest, which were transferred during the year under review to tax arrears agreements, or what are known and referred to in some provinces as "tax consolidation" accounts. See complementary item 2 of Schedule 13 (Form 21 on page 72).

Item 10 — Reductions or cancellations during the year under review in respect of both current and arrears of taxes.

Item 11 — Other credits to taxes receivable accounts, such as discounts allowed on account of prior years' arrears, as referred to above.

Item 12 — Total of items 7, 8, 9, 10, and 11.

Item 13 — The difference between the total debits and the total credits as shown for items 5 and 12 respectively, which represents the amount of taxes outstanding, including penalties and interest thereon, at the close of the year. The amount shown for this item in column (2) should be in agreement with the total of items 13(131) and (132) of the assets in the General Revenue Fund Balance Sheet (Form 19 on page 60).

TAX ARREARS AGREEMENTS

.. s at 19
 (Day) (Month)

SCHEDULE 13

1. Balance January 1, 19....	\$
2. Transferred from Taxes Receivable .....	.....
3. Penalties or Interest Added .....	.....
4. Other: (Specify)	
.....
.....
5. Total Debits	\$
6. Collections	\$
7. Adjustments re: Cancellations or Reductions, etc. ....	.....
8. Other: (Specify)	
.....
.....
9. Total Credits .....	.....
10. Balance December 31, 19, Item 13, Exhibit 8	\$

Explanatory Notes: (Form 21)

This schedule shows details of transactions relating to amounts outstanding under agreements that have been entered into for the consolidation of tax arrears, in support of the corresponding item 13 (133) in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 60). The transactions reflecting changes in this account during the year are, for the most part, the same as those reflecting changes in taxes receivable accounts. Hence the instructions on page 71 relating to the latter should be referred to in conjunction with the preparation of this schedule. In some instances it is not possible to separate principal and interest payments under such consolidation agreements; thus item 6 above would include the total "cash" collections. Any discounts allowed, however, should be shown under item 8. *Do not include in this statement any transactions relating to amounts outstanding under agreements arising from the sale of municipally-owned property, as shown under item 3 (32) of the General Revenue Fund Balance Sheet.*

PROPERTY ACQUIRED FOR TAXES

As at 19
 (Day) (Month)

SCHEDULE 14

(a) Subject to Redemption	(b) Deeded to Municipality
1. Balance January 1, 19 \$	1. Balance January 1, 19 \$
2. Purchased at Tax Sale During Year \$	2. Deeded During Year \$
3. Total Debits \$	3. Other: (Specify) \$
4. Redemptions \$	4. Total Debits \$
5. Returned to Taxes Receivable or Agree- ments \$	5. Sales of Property \$
6. Deeded to Municipality \$	6. Other: (Specify) \$
7. Total Credits \$	7. Total Credits \$
8. Balance December 31, 19 Item 14, Exhibit 8 \$	8. Balance December 31, 19 Item 14, Exhibit 8 \$
Total of Items (a) 8 and (b) 8 \$	

Explanatory Notes: (Form 22)

This schedule shows details of transactions relating to properties acquired by the municipality at tax sales (for tax certificate registration) or other similar procedure in any province for the same purpose, in support of item 14 in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 60). The two sections of the schedule refer (a) to those properties which are still subject to redemption by the former owners or other interested parties and (b) to those properties for which the period of redemption has expired and title is vested in the name of the municipality. All properties in the latter category should be included in this section of the schedule, even though the tax title deeds have not actually been executed or registered by the municipality.

(a) Subject to Redemption

Item 1—Taxes and other charges against properties purchased by the municipality at tax sale(s) held during the previous year, in respect of which the period of redemption extends into the current year.

Item 2—Taxes and other charges against properties purchased by the municipality at tax sale(s) held during the current year. See complementary items 4 and 7 in sections (a) and (b) respectively of Schedule 15 (Form 23 on page 76).

Item 3—Total of items 1 and 2.

Item 4—Redemptions during the current year, in respect of properties included in items 1 or 2 above.

Item 5—Taxes and other charges returned to taxes receivable or agreements, as the case may be, in respect of properties for which redemption from tax sale is arranged by instalments, wherever such is permissible.

Item 6—Amount against properties included in items 1 or 2 above, for which the period of redemption expired during the current year. These properties are to be transferred to section (b) of this statement (item 2) even though, as previously noted, the deeds have not actually been executed or registered.

Item 7—Total of items 4, 5 and 6.

Item 8—The difference between the total debits and the total credits as shown by items 3 and 7, respectively, which represents the balance of amounts against properties purchased at tax sale(s) during the current year, in respect of which the period of redemption extends to a date in the next succeeding year.

(b) Deeded to Municipality

Item 1—Book value at the beginning of the year of properties acquired by the municipality at tax sale(s) held in previous years, in respect of which the period of redemption has expired.

Item 2—Amount transferred from section (a) of this statement. See item 6 of section (a) and notes above in this respect.

Item 3—Use only if necessary, such as in case of total proceeds from the sale of properties amounting to more than the purchase price (taxes plus costs at tax sale) or other book value of the properties sold, in which event the amount of the excess represents a profit to be transferred to surplus or reserve account, or otherwise disposed of. The total proceeds from sales would, in the first instance, be shown under item 5 below; thus to balance or close out the property ledger account, a transfer of the profit realized must be made as referred to above.

Item 4—Total of items 1, 2 and 3.

Item 5—Selling price of all properties sold by the municipality during the current year, whether at a profit or loss in relation to the purchase price or other book value.

Item 6—Complementary to item 3 above, except that it should include net total losses arising from the sale of properties; and in addition other net adjustments such as for revaluation of properties.

Item 7—Total of items 5 and 6.

Item 8—The difference between the total debits and the total credits as shown by items 4 and 7, respectively, which represents the book value at the close of the year of such properties still held by the municipality.

Items (a) 8 and (b) 8 should be in agreement with items 14(141) and (142) respectively, of the assets in the General Revenue Fund Balance Sheet (Form 19 on page 60).

TAX SALE ACCOUNT

As at 19
 (Day) (Month)

SCHEDULE 15**(a) Adjourned Sale of Previous Year (if any)**

1. Balance January 1, 19 \$

2. Sales to Public \$

3. Taxes not realized on Sales to Public.. ..

4. Purchased by Municipality

5. Total Credits \$

6. Balance Returned to Taxes Receivable \$

OR

7. Balance December 31, 19
 (If adjourned to Following Year) \$

(b) Tax Sale of Current Year

1. Transferred from Taxes Receivable... \$

2. Costs or Fees Added

3. Other: (Specify)

4. Total Debits \$

5. Sales to Public \$

6. Taxes Not Realized on Sales to Public

7. Purchased by Municipality

8. Total Credits \$

9. Balance Returned to Taxes Receiv-
 able \$

OR

10. Balance December 31, 19
 (If adjourned to Following Year) \$

Explanatory Notes: (Form 23)

This schedule shows details of transactions relating to tax sale(s) held during the current year, and would be in support of the corresponding asset, if any, carried forward which would be included under item 17 of the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 60).

Part (a) of the schedule applies to the tax sale of the previous year only if adjourned to the current year and shows the disposition of the properties included in the adjourned sale. For the most part it will be found self-explanatory. It should be noted, however, that when properties are sold for less than the total of taxes, costs, etc., the amount *not* realized should be written off as a direct loss arising from the tax sale and the credit to tax sale account shown here under item 3. Also, it should further be noted that if a tax sale cannot be adjourned a second time and if any properties are not sold at the first adjourned sale or purchased by the municipality thereat, the taxes in respect of such properties should be returned to taxes receivable account, under which circumstances item 6 of this statement would be used. See complementary item 4 of Schedule 12 (Form 20 on page 70). If, however, it is permissible, and a tax sale is readjourned, the balance should be carried forward to the next year and shown accordingly under item 7 of this statement.

Part (b) applies only to the tax sale of the current year and will be found self-explanatory in its entirety if considered along with the explanations given above and with those on pages 71 and 75 relating to Schedules 12 and 14, respectively. If the sale is adjourned to a date within the current year, sufficient detail is provided to show the results of both the original and adjourned sales. Hence, all transactions relating to the one or both sales, as the case may be, should be summarized according to the detail shown.

FORM 24

**GENERAL REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)**

**GENERAL REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 9

	Debit	Credit	Balance
1. Balance of Surplus (or Deficit) at Beginning of Year	\$	\$	
2. Surplus or Deficit included in Current Budget — Transferred to General Revenue and Expenditure Statement, Exhibit 10			\$
3. Adjustments Affecting Operations of Previous Years: (Specify)			
4. Balance after Above Adjustments			\$
5. Others Transaction Affecting Surplus: (Specify)			
6. Surplus or Deficit for Year Under Review — Brought Forward from General Revenue and Expenditure Statement, Exhibit 10			
7. Balance of Surplus or Deficit at End of Year — Carried Forward to Revenue Fund Balance Sheet, Exhibit 8			\$
8. Totals of Debit and Credit Columns	\$	\$	

**GENERAL REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)**

The purpose of this statement is to show the changes during the fiscal year in the general revenue fund surplus (or deficit); thus it actually represents an analysis, in condensed form, of the general ledger account.

1. The balance of the account at the beginning of the year, the amount of which would be shown in *either* the debit or credit column, as the case may be.

2. The portion of the surplus or deficit from previous years actually taken into the current year's budget, which would be shown either as a debit or credit, respectively, as the case may be. The amount shown here should agree with that shown under items 11 (111) or 17 of the revenues or expenditures, respectively, in Exhibit 10 (Form 25 on page 83).

Also, opposite this item extend the balance of the account.

3. Adjustments directly affecting operations of previous years are to be shown under this item. Such may arise from underestimating or overestimating accounts receivable or payable in setting them up at the close of the year or from failure to provide for certain outstanding accounts or other unpaid commitments. Only the net result of entries of a similar character should be shown; thus if there were two adjustments relating to accounts receivable, one arising from underestimating the amount (a credit to the account) and the other arising from overestimating the amount (a debit to the account), only the net difference between the two should be shown. The same treatment should be accorded other adjusting entries or transactions relating to operations of previous years.

4. Extend the balance of the account after giving effect to the adjustments shown under item 3.

5. Transactions affecting surplus, other than adjustments relating to operations of previous years or transfers to current budget, which should be summarized according to character and *only the net result of similar transactions* shown in the statement. These may be widely varied in character, such as transfers to or from reserve accounts, profits or losses on sale of property acquired for taxes, if credited or charged directly to surplus. (If taken into revenue, where permitted by law, see item 9 on page 97); also transfers to or from sinking fund (if such is permitted by law), inventory write-offs or adjustments and other write-offs or adjustments relating to balance sheet accounts.

6. The Surplus (credit) or Deficit (debit) for the current fiscal year. The amount shown here should agree with either item 19 of the expenditure section or item 13 of the revenue section, respectively, as shown in Exhibit 10 (Form 25 on page 83).

7. The balance of the account at the close of the year should be extended opposite this item; and in addition entered in either the debit or credit column as the case may be, so as to bring the totals of each into agreement. This balance should agree with the amount shown under item 18 of the assets or item 17 of the liabilities, as the case may be, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 59).

FORM 25

**GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURE**

STATEMENT OF GENERAL REVENUE AND EXPENDITURE

This statement should not be confused with a statement of "receipts and payments (or disbursements)" which is merely a summary of cash received and paid out during a given period. A statement of revenue and expenditure includes all revenues for or applicable to a given period (whether or not actually received in cash) and only those expenditures incurred in earning that revenue or which are to be paid out of same (whether or not actually paid for in cash). Thus the revenues of the General Revenue Fund of a municipality for any one year consist of the amounts received or receivable from the imposition of taxes, rates or other charges and from miscellaneous sources; and expenditures for any one year consist of the amounts paid or to be paid in respect of the cost of services to be met out of or by the aforementioned taxes, rates and other revenue from miscellaneous sources. Assets or liabilities of previous years which may be included in the current year's budget are *not* revenues or expenditures but represent "surplus" or "deficit" provided for and should be reported accordingly in the revenue and expenditure statement.

Normally, all revenues and expenditures are to be shown gross; exceptions to this rule infrequently occur, however, and in such cases specific reference is made herein to the contrary.

It should be noted that this is only a summarized or condensed statement of revenues and expenditures. The detail to be included in each of the principal items is, however, referred to in the following explanations.

Each function of expenditure and division thereof as set out hereunder should record therein all applicable expenditures for *personal services*, for *other services* and for *materials and supplies* which pertain to that particular item or sub-item of the classification.

Personal Services include:

salaries and wages	fees of office
perquisites or allowances of office	overtime
honorariums	bonuses
retiring allowances	pension contributions

Other Services include:

professional services	travelling expenses
fees and commissions	rentals
insurance and bond premiums	workmen's compensation
unemployment insurance	heat, light, power and water
postage, telephone, telegraph and messenger service	freight, express, cartage and duty
repair services	other transportation and storage charges
advertising	subscriptions
cleaning	memberships
office services	hospital and medical insurance
banking and financial services	

Materials and Supplies include:

office equipment	building, electrical, plumbing, decorating and like materials
machinery and other equip- ment	motor vehicle and other equipment supplies and parts
printing, stationery and office supplies	food, clothing, forage and fuel
household cleaning and laundry supplies	medical, surgical and laboratory supplies
educational supplies	agricultural, horticultural and animal supplies
playground supplies	small tools and equipment
safety appliances	

NOTE: It is emphasized that the municipality's contributions for pensions and unemployment insurance and premiums or other contributions towards workmen's compensation are to be charged to the appropriate function of expenditure whenever possible.

GENERAL FUND
STATEMENT OF GENERAL REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19 ...
 (Day) (Month)

EXHIBIT 10**REVENUE**

1. Taxation:	
11. General and School Taxation	\$
111. Real Property .....	.....
1111. Land .....	.....
1112. Improvements .....	.....
112. Personal Property .....	.....
113. Business .....	.....
114. Income .....	.....
115. Poll .....	.....
116. Amusement (Municipality's Share) .....	.....
117. Sales .....	.....
118. Household and Tenant .....	.....
119. Other (Specify)	\$
12. Special Assessments (Owner's Share) and charges:	
121. Local Improvements .....	.....
122. Other Special Charges (Specify)	\$
2. Licences and Permits:	
21. Professional and Business .....	.....
22. Other (Specify) .....	.....
3. Rents, Concessions and Franchises	
4. Fines	
5. Interest, Tax Penalties, etc.:	
51. Interest on Bank Deposits and Investments .....	.....
52. Tax Penalties .....	.....
53. Premiums, Discounts and Exchange .....	.....
6. Service Charges	
7. Recreation and Community Services:	
71. Recreation Services .....	.....
72. Community Services .....	.....
8. Contributions:	
81. Governments .....	.....
82. Government Enterprises .....	.....
83. Other .....	.....
831. Sinking Fund Excess Earnings .....	.....
832. Other .....	.....
9. Miscellaneous: (Specify)	
10. Total Revenue	
	\$
11. Surplus from Previous Years (If Used) — Transferred	
from General Revenue Fund Surplus (Deficit) Account	
— Exhibit 9	
111. Transferred from General Revenue Fund Surplus	.....
(Deficit) Account .....	.....
112. Transferred from Reserves .....	.....
12. Total	
	\$
13. Deficit for Year (Excess of Expenditure over Revenue) —	
Carried Forward to General Revenue Fund Surplus	
(Deficit) Account — Exhibit 9	
14. Grand Total, General Revenue Section	
	\$

GENERAL FUND
STATEMENT OF GENERAL REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 10

EXPENDITURE

1. General Government:		
11. Executive and Legislative	\$	
12. Administrative .....	.....
13. Other General Government Expenditure	\$	
2. Protection to Persons and Property:		
21. Fire Protection .....	.....
22. Police Protection.....	.....
23. Law Enforcement .....	.....
24. Corrections .....	.....
25. Protective Inspections .....	.....
26. Street Lighting .....	.....
27. Destruction of Pests .....	.....
28. Other Protection: (Specify) .....	.....
3. Public Works:		
31. Streets, Roads, Bridges, etc. ....	.....
32. Other Public Works .....	.....
4. Sanitation and Waste Removal		
5. Health:		
51. Public Health .....	.....
52. Medical, Dental and Allied Services .....	.....
53. Hospital Care—Municipal Hospital Contribution/Deficit .....	.....
Other Hospital Care.....	.....
54. Other Health .....	.....
6. Social Welfare:		
61. Aid to Aged Persons: Municipal Home Contribution/Deficit .....	.....
Other Aid to Aged .....	.....
62. Aid to Blind Persons .....	.....
63. Aid to Unemployed and Unemployables .....	.....
64. Mothers' Allowances .....	.....
65. Child Welfare: Childrens' Homes Contribution/Deficit .....	.....
Other Child Welfare .....	.....
66. Other Social Welfare .....	.....
7. Education:		
71. Elementary:		
711. Public School Authority Requisition .....	.....
712. Separate School Authority Requisition .....	.....
72. Secondary—High School, Collegiate, Continuation School—		
Requisitions .....	.....
73. Technical or Vocational School Requisition .....	.....
74. Other Education Expenditure: (Specify) .....	.....
8. Recreation and Community Services:		
81. Special Activities—Contributions Levies and Deficits: (Specify) .....	.....
82. Recreation Services .....	.....
83. Other Community Services .....	.....

GENERAL FUND
STATEMENT OF GENERAL REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
 (Day) (Month)

EXHIBIT 10**EXPENDITURE – Concluded****9. Debt Charges:**

91. Long-Term Debt Charges: Net of Debt Charges Recoverable from
 Outside Authorities: Schedule 18, page 118.

911. Debenture Debt Charges \$
 912. Other Long-Term Debt Charges \$

92. Other Debt Charges:

921. Temporary Debt Charges
 922. Other

10. Utilities:

101. Deficits: (Specify)

 102. Levies: (Specify)

11. Appropriations for Reserves and Provisions for Allowances:

111. Appropriations for Reserves for:

1111. Undetermined Losses on Assets
 1112. Contingencies
 1113. Future Expenditures

112. Provisions for Allowances for Losses on:

1121. Uncollectible Taxes
 1122. Accounts Receivable
 1123. Property Acquired for Taxes

12. Contributions to Reserve Funds: (Specify)

13. Contributions to General Capital and Loan Fund

14. Joint or Special Expenditures: (Specify)

15. Miscellaneous:

151. Civil Defence
 152. Other

16. Total Expenditure \$

17. Deficit from Previous Years (If Any) – Transferred from General Revenue
 Fund Surplus Deficit Statement – Exhibit 9

18. Total \$

19. Surplus for Year (Excess of Revenue over Expenditure) – Carried For-
 ward to General Revenue Fund Surplus (Deficit) Statement – Exhibit 9

20. Grand Total Expenditure Section \$

REVENUE

1. Taxation revenue is the revenue which accrues to the General Revenue Fund of the municipality through the imposition of charges against property, wealth and income for the purpose of raising revenue for the provision of services. It does not include non-compulsory revenues such as licences and permits, or franchises which, on application, grant certain privileges subject to the permission and/or control of the municipality. **Taxation**

Taxation revenue is shown in two main groupings or classifications, "General and School Taxation" and "Special Assessments (Owners' Share) and Charges", as certain services financed in some municipalities from general taxation are paid for from special charges in others, and it is necessary to bring all together under the main heading of "Taxation" in order to have uniformity and to be able to make valid comparisons between different municipalities and provinces.

General and School Taxation

It will be noted from the explanations which follow, subject to the exceptions dealt with in Appendix "1", page 229, as referred to in the second following paragraph, that general and school taxation revenue is to include not only the total of taxes imposed or levied on the basis of assessed valuations of real and personal property and income, which amounts generally constitute the total of the yearly tax roll, but also other forms or types of taxes which are based on factors other than assessed valuations and which may or may not form part of the yearly tax roll. For instance, real property, personal property, business and income taxes are taxes based on assessed valuations and form part of the yearly tax roll; household and/or tenant taxes, often based on assessed valuations, but sometimes on rental values, usually form part of the yearly tax roll; poll taxes, which are usually based on capitation, may or may not form part of the tax roll. It includes also, amusement, sales, and some minor taxes, which do not appear on the tax roll.

Special Assessments (Owners' Share) and Charges

Levies for *Local Improvements—Property Owners' Share* (also known in some provinces as "special assessments") are usually placed on the tax roll whether based on assessed valuations of specified properties, *frontage*, *area*, *unit charge*, or on some other factor. These, together with various other charges, such as for garbage collection, sewers (other than local improvements), snow removal, street flushing, oiling and watering, and others of similar nature, are classed in a second section of *Taxation* known as *Special Assessments (Owners' Share) and Charges*. In some provinces, notably Alberta, some of these special charges are officially described as "frontage taxes". In reporting under this heading, however, such should be shown according to the purposes for which the so-called "frontage taxes" are levied.

Certain special forms or types of taxes are levied by many local municipalities which are also based mostly on assessed valuations, but sometimes on other factors, and yet such do not represent taxation revenue for either municipal or school purposes from the standpoint of the local municipality. These are dealt with separately in Appendix "1", page 229, to which reference should be made at this time in order to properly determine the disposition of the total taxes either generally or specially rated in any one year.

**Special Taxes
for Provincial
Governments,
Etc.**

While other charges may appear on the yearly tax roll, such are generally placed thereon for collection and would be credited direct to accounts receivable or to liability accounts or reported under other revenue accounts and would not form part of taxation revenue. An illustration of the foregoing would be: charges for weed cutting on private property—a credit to accounts receivable; utility rates arrears placed on the roll for collection—a credit to the utility account; dog taxes or licence fees—a credit to licences and permits (item 2); areaway

charges or encroachment privilege fees—also a credit to licences and permits (item 2).

When privately owned business enterprises which are liable for taxation in the ordinary way, but pay instead a tax based on a fixed assessment, or at a fixed rate on the actual assessment, or a fixed tax, such amounts payable are to be classified under "General and School Taxation"—real or personal property, or business, according to the assessment. Where such an apportionment is not possible, as where a fixed tax or a tax based on a fixed assessment is paid, the total amount of the tax should be considered as "real property". Similarly, where the tax is based on factors other than assessed value, such as gross receipts or sales, the amount payable would be considered as "real property tax".

Additional amounts paid by private businesses or enterprises would be in the nature of franchises or contributions, and should be appropriately classified under "Rents, Concessions and Franchises" or "Contributions", items 3 and 8 respectively.

If publicly owned utilities and other types of government enterprises are taxable in the same way as privately owned business enterprises, the amounts receivable should be classified in the manner specified above. However, amounts receivable from publicly owned utilities and other types of government enterprises which are exempt from taxation shall be classified under "Contributions", item 8, as should payments in lieu of taxes by governments.

Rebates, remissions or write-offs of taxes levied for the current year should be applied against the original charge and only the *net* amount included as taxation revenue; this applies also to direct charges, such as for local improvements or water frontage rates, against properties owned by the municipality, so that only the *net charges* to private property owners are shown as a revenue. (Discounts on taxes, either for prompt payment or prepayment are, however, *not* to be treated in like manner but should be shown as an expenditure under item 15).

School taxes are not levied by municipalities in Newfoundland or Quebec (though some in the latter province may act as collectors). Therefore the heading in these provinces would be "General Taxation" instead of "General and School Taxation".

Taxation for municipal and school purposes should be further apportioned according to the basis of the tax as follows:

**General and
School Taxation**

Real Property—The portion of the total taxes imposed or levied upon the assessed valuation of land and buildings or other improvements on or to the land, but not including *Property Owners' Share of Local Improvements* referred to on pages 91 and 92.

Personal Property—The portion of the total taxes imposed or levied upon the assessed valuation of personal property such as stock-in-trade, movable machinery and tools, livestock, furniture and fixtures, personal and other household effects and other chattels; but not including income.

Business—The portion of the total taxes imposed or levied upon the assessed valuation of business enterprises, including professional, commercial, industrial, etc. It should be noted that such business assessed valuation may be based either upon the assessed valuation or the rental value of the property concerned, on the area or storage capacity of the premises occupied or on gross turnover.

In some Manitoba municipalities, and perhaps in some others, in addition to regular business taxes on the usual percentage basis, there are business fees on a straight fee basis. If these are included in the tax roll they should be included in the tax revenue of the municipality under this item.

Care should be taken that business licences are classified under item 2.

Income—The portion of the total taxes imposed or levied upon the assessed valuation of income, including that of individuals as well as professional, commercial, industrial and other business enterprises. This applies to those municipalities which in their own right impose an income tax in addition to that which may be imposed by either or both the Dominion and Provincial Governments. From the institution of the Wartime Tax Agreements municipal income tax has been inactive.

Poll—A capitation or head tax imposed by municipalities in some provinces usually against male inhabitants only within certain prescribed limitations, but sometimes including females. All such taxes based on this factor should be included here, regardless of their purpose, such as poll tax for hospitalization, for school, or for library purposes.

Amusement (Municipality's Share)—A tax imposed on admissions to certain prescribed forms of amusement. In the Province of Saskatchewan some municipalities levy such a tax direct. In the Province of Quebec, the tax is imposed by provincial statute but collected by the municipalities, part retained by them and the remainder paid over to the Province. Only the municipality's share of such tax revenue is to be shown here.

Sales—The revenue derived from the imposition of a tax on sales of goods or commodities, whether collected directly by the municipality, or by the province on behalf of the municipality.

Household and/or Tenant—The revenue derived from the imposition of any special tax or rate against householders (owners or tenants); it may be based on a percentage of the assessed valuation and applicable to all householders or based on the rental value and applicable only to tenants.

Other—Revenues from the imposition of special forms or types of taxes other than those specifically provided for, the exact nature of which should be clearly indicated in the revenue statement, such as *Timber* taxes in Alberta.

Include under this heading of "General and School Taxation" and distribute according to the basis of the tax, as noted above, the following:

Nova Scotia—

District or Special Area Rates.
Villages and Commissions' Rates.

Ontario—

Police Village and Special Area Rates or Levies.

Manitoba—

Village District Committee Rates or Levies.

These rates are levied to provide certain general municipal services which are rendered to limited or defined areas of the municipality on the basis of a general mill rate against such area. They should therefore not be confused with the special charges referred to in the next item, which are a direct charge against specific properties.

Local Improvements (Owners' Share)—The total direct charges against those properties benefiting from improvements. This does not include that portion of the cost of local improvements which is paid out of general taxation, real property or other. Such charges may sometimes be paid by the occupant or tenant of the property. (In some provinces these are known as "special assessments").

**Special
Assessments
(Owners' Share)
and Charges**

Usually this applies to the owners' share of the annual debt charges (principal, or sinking fund instalment and interest) on debentures issued by the municipality for local improvements. However, in some instances, these levies are made against owners for local improvements which cover both the capital cost and an allowance for annual maintenance. Also include, in Ontario, levies under the Tile Drainage Act for debentures as well as levies for either debentures or maintenance under the Municipal Drainage Act.

Other Special Charges—Amounts charged annually against specific properties, whether or not these are placed on the tax roll for collection, for provision of special services such as garbage removal, sewers (other than construction as local improvements), snow removal, street flushing, oiling and watering, and others, regardless of the basis of the charge, which may be frontage, service provided, annual rate, rental based on water consumption, or one of various others in use. *Do not include here* special area rates or levies as referred to above under General and School Taxation (q.v.).

Licences and Permits

2. Revenue derived from licensing *Professional and Business* activities should be shown separately from *Other* licence or permit revenue.

Professional licences are those applying to individuals or firms engaged in specialized professional activities, trades or occupations; these would include accountants or auditors, auctioneers, brokers and agents, contractors, elevator operators, engineers, lawyers, motion picture operators, photographers and photographic studios, repairmen and skilled craftsmen as well as carpenters, lathers, masons, plasterers, plumbers and other skilled labourers.

Business licences are those applying to manufacturers, wholesalers, retailers, shopkeepers or storekeepers and other merchandising concerns, which may be further classified as follows:

Beverage Licences
Alcoholic or Non-alcoholic

Health Licences
Barber Shops
Bath Houses
Bakeries
Butchers or Meat Dealers
Dairies or Milk Dealers
Grocery Stores
Hotels
Hospitals
Restaurants
Etc.

Manufacturing Licences
Abattoirs
Meat Packers
Etc.

Merchandising Licences
Chain, Clothing, Department and
Drygoods Stores
Manufacturers' Agents or Commission
Merchants
Newsdealers
Etc.

Protective Licences
Garages
Gas Stations
Parking Lots
Pawn Shops
Pedlars and Vendors
Second Hand Stores or Junk Dealers
Explosives or Firearms (but not the
use thereof)
Etc.

In most instances businesses are licensed primarily for regulation, with the revenue incidental to the regulation, but in some provinces they are licensed primarily for revenue (in lieu of business tax as referred to under item 1 above) with the regulation incidental thereto. Irrespective of the foregoing, the revenue derived from all such business licences should be included here.

Other licences or permits would include, in addition to any miscellaneous revenue therefrom not specifically referred to:

Amusement—Licences issued for places of amusement or for amusement activities or events, such as,—amusement or athletic parks, circuses, dance halls, golf courses, pool and billiard rooms, carnivals or street fairs, theatres and halls, or other places in which games or other amusements may be held.

Vehicles—Licences issued for motor vehicles, bicycles, wagons, carriages.

Animals—Licences or tags issued in respect of dogs, cats or other animals. In some instances the licensing of dogs is referred to as "dog tax" but notwithstanding such a categorical or statutory reference, the revenue derived therefrom should be included here.

Building Permits—Structural permits covering buildings or additions thereto as well as plumbing and wiring permits, etc.

Billboard, blasting, excavating or wrecking privileges, permits for overhanging signs, stands, platforms, and other street privileges.

Parking Meter Fees—Total collections. Report meter purchase in Exhibit 7.

Also include in this category revenue from building encroachments or area-way charges, which may or may not be imposed or collected through the medium of the tax roll.

NOTE: Usually a document called a licence or permit is issued as evidence of permission being granted to carry on the business or exercise any of the privileges for which the fee is paid, but the fact that this may not be done should not alter the classification or reporting of such revenues according to the above.

3. Sundry Rentals—Revenue derived from the private occupancy or use of municipally-owned property such as for rent of office or store space in civic buildings, rentals from property acquired for taxes (vacant or built upon) or from other properties (land or buildings) which are not required for the uses of the corporation. Also include here rentals of equipment.

**Rents,
Concessions
and
Franchises**

Concessions and Privileges—Revenue derived from the granting of concessions or privileges to private persons in connection with municipal functions or activities, including such as from garbage collection when the service is performed privately by contract or public tender, and from concessions for private fairs, circuses, etc.

Franchises—Revenue derived from the granting of franchises, such as for transportation, electric light and power, gas, central heating or other facilities, to privately owned utilities. The term "franchise" refers to a particular privilege or right granted by a municipality, under an agreement, to an individual or company, to the exclusion of others, such as for the use of streets or other public property. Any revenues of this nature should be included here.

It sometimes happens, however, that included in the agreement regarding the franchise are provisions whereby the enterprise concerned has to make additional payments to the municipality over and above the specific amount agreed upon with respect to the franchise. Inasmuch as it is considered that any special amounts payable by private businesses or enterprises in addition to ordinary taxes or rates, under the terms of a franchise agreement, are more or less tied in with and part of the granting of the franchise, such should also be classified as "franchise" revenue. Such additional amounts as are *not* tied in with or part of the franchise agreement should be classified under item 8, "Contributions".

Bus Mileage Fees—Revenue derived from fees charged for passenger buses operating into and out of the municipality, such as those based on route miles or seating accommodation.

Revenues accruing to the municipality under the circumstances just outlined should be clearly identifiable as such separate and distinct from other types of revenue, e.g., taxes or contributions, which should be classified accordingly.

4. This item would include, in addition to any miscellaneous revenue therefrom not specifically referred to:

Fines

Court Fines and Fees—Revenue derived from fines and penalties, including costs, imposed for infractions of statutes or local by-laws, the administration

of which falls within the jurisdiction of the courts. Traffic or other fines even though paid without the formality of a court should be included here, as well as forfeited bail.

Other Fines and Fees—Revenue from fines or fees imposed by the municipality or department thereof, other than the judiciary, such as for the impounding of animals or infraction of park regulations. Also include public library fines when the library is not operated by a board.

Interest,
Tax Penalties,
etc.

5. This item would include, in addition to any miscellaneous revenue therefrom not specifically referred to:

Interest:

Interest Earnings on Bank Deposits.

Interest Earnings on Investments.—Interest on securities in which revenue funds are invested temporarily, unless the securities are held in respect of a special reserve fund which, by statute, is to include interest earnings on the investments.

Tax Penalties:

Interest on Redemption of Tax Sale Properties Including Penalties—Penalties, if any, accruing to the municipality, as a result of the redemption of properties acquired for taxes.

Interest or Penalties on Taxes—Revenue arising from the imposition of interest or penalties on taxes levied by the municipality, which would include those specifically required to be added by statute as well as others that may be added by by-law of the municipality.

Interest on Advances—By revenue fund to local boards, commissions or other funds of the corporation, as well as any amounts accruing to the revenue fund as a result of prorata or other distribution of investment earnings of other funds.

Premiums, Discounts and Exchange:

Premium (or amount amortized) on Municipal Debenture Sales—The amount by which the selling price of debentures exceeds the face value where such may be taken into revenue. If amortization is required or permitted, the amount taken into revenue annually over the lifetime of the debentures. The amount to be amortized is to be shown in item 17, "Other Assets, of the General Revenue Fund Balance Sheet (Exhibit 8 on page 60) as a deferred revenue".

Discounts (or amount amortized) or Profit on Sale of Securities Purchased as Investments—Revenue arising from the purchase of securities as investments at a discount, and their entry as an asset at par value, or from the sale of securities held as investments at a price higher than the valuation thereof in the balance sheet.

Exchange—Profit arising from the repayment of foreign loans at a more favorable exchange rate than that under which the debt was incurred; also include exchange on foreign currency.

Service
Charges

6. This item would include, in addition to any miscellaneous revenue therefrom not specifically referred to:

Commissions on Collections—Commissions, fees or deductions from amounts collected by the municipality for or on behalf of individuals, firms or corporations and other governments.

Certificates and Search Fees—Revenues derived from fees for issuing tax or other certificates as well as search fees such as for providing information from assessment or tax rolls.

Net Revenue for Work Done for Individuals or Corporations—In many instances the municipality does certain work for private individuals or corporations such as the laying of sidewalks, sewer connections or driveways. Only the net profit or revenue (i.e., after deducting all charges or costs incidental thereto) on any such work is to be shown.

7. This item would include:

Recreation Services —

Community Centres and Halls, Municipal Golf Courses, Swimming Pools, Beaches and Baths, Amusement Parks and Playgrounds, Skating Rinks and Arenas.

Community Services —

Exhibitions and Fairs, Parks, Tourist Camps, Markets, Weigh Scales.

Recreation
and
Community
Services

The above groupings are not entirely definitive, as there may be combination, overlapping or sharing of facilities. However, amusement parks and playgrounds are for outdoor play and recreation, and differ from parks, public squares and similar areas intended for beautification and relaxation.

Include only revenue accruing to the municipality from such services or activities when they are administered as a Special Activity Fund by a more or less independent, or quasi-independent board, commission or agency and/or their operations are accounted for separately from general fund account, or when the operation is let to a private party or organization by tender, contract or agreement, or for a percentage of gross or net income.

Thus, where these services or activities are administered directly by council, revenues derived from their operation would not be included hereunder, but would be classified according to the nature thereof in terms of the general revenue classification, (i.e., under the other items of this account). Membership dues and admissions should then be shown under item 9, Miscellaneous as a separate sub-item.

8. Contributions usually arise through the action of the contributor rather than of the municipality. **Contributions**

A contribution accrues to the General Revenue Fund or any other fund through the commitment or transfer of funds by another government or a non-government source, or by another fund of the municipality.

A contribution from another government or from a non-government source may be of the nature of a *grant-in-aid*, of a *shared-cost contribution*, or a *subsidy*, or of a *payment in lieu of taxes* on non-taxable property. A contribution from another fund of the municipality is usually a transfer of fund surplus to General Revenue Fund, or a payment in lieu of taxes on non-taxable property. Grants-in-aid should be reported here, and never netted out against expenditure.

Care should be taken that revenue arising from payments of taxes by governments where the municipality has a right to tax is classified appropriately under taxation, and that only that revenue is shown here which is received from governments and their enterprises in lieu of taxes on property which is exempt from taxation.

Revenue arising from the terms of a franchise agreement should be classified under Rents, Concessions and Franchises, item 3.

Governments—Detail here, or in a subsidiary schedule: Dominion Government contributions (for those from enterprises—e.g. crown corporations, see

next heading) such as those in lieu of taxes on government property, share of civil defence payable directly from the Dominion Government, etc.

Provincial contributions (for those from enterprises, e.g. crown corporations, see next heading) whether such are general and unconditional, or specific and conditional. As these are numerous and varied in the different provinces, and subject to frequent change, it is not possible to give a complete list or adequate examples here. Consult the various official audit forms and other sources. Federal health grants and civil defence grants distributed through provincial governments should be included here.

Other municipalities' contributions would include those payable by counties to local municipalities in Ontario, also amounts received or receivable for services rendered directly by one municipality to another, such as fees or charges for attending fires in adjacent municipalities and sewer rentals from other municipalities.

NOTE: Do not include here government contributions for hospitals or schools; these should be shown as revenues of the respective activities for which separate statements of revenue and expenditure are reported.

Government Enterprises—To include contributions from government enterprises which are not taxed or taxable in the ordinary course of events.

Dominion Government Enterprises such as Bank of Canada, Canadian Broadcasting Corporation, Trans-Canada Air Lines, Canadian National Railways, National Harbours Board, Canadian Arsenal, etc., also may make payments in lieu of taxes which would properly be classified here.

Payments in lieu of taxes by Provincial Government Enterprises such as utilities, liquor boards, and industries should be included here.

Utilities operated by the municipality may contribute to general municipal revenues through transfer of surplus funds of either the current or previous years to the General Revenue and Expenditure Fund, as may some Special Activities. Special Activity Contributions from Recreation and Community Service Activities should appear under item 7, others here under this item. Any such amounts included here should agree with the relative amounts shown under item 6 of Exhibit(s) 21, Utility Revenue Fund Statement of Surplus (Deficit), (Form 39 on page 182) and under item 6 of Exhibit(s) 15, Special Activity Revenue Fund Statement of Surplus (Deficit), (Form 33 on page 148). Also include here any amounts received or receivable from utilities, under agreement or otherwise, in lieu of taxes, where no tax is levied because of tax exemption, or any such payment over and above the tax levied. This situation arises from the fact that in some provinces the property of utilities is wholly or partially exempt from taxation, and voluntary contributions are made to the general revenues of the municipality.

Utilities or other municipalities may similarly make grants in lieu of taxes on account of non-taxable properties owned by them within the municipality reporting.

Other Contributions, Grants and Subsidies—Include here revenues from private businesses or enterprises over and above (in addition to) ordinary *Taxation and Rents, Concessions and Franchises*. These sometimes occur in municipalities which are largely dependent on a single large industry, such as mining.

Also include under a separate sub-heading any *Sinking Fund excess earnings* which are actually transferred (with authority) to General Revenue Fund.

9. Include here revenues from sundry sources not otherwise provided for in the statement. Care should be exercised, however, to see that only those which cannot properly be classified under any of the other items are included. Miscellaneous,
N.O.P.

Revenues of recreation services and facilities not accounted for as Special Activities, which cannot be distributed to other revenue classifications of this Fund, should be shown here as a separate sub-item (i.e. admission charges).

Show separately under this item, profits on the sale of property acquired for taxes which are taken into revenue (where permitted by law—otherwise see Item 5 on page 81).

10. The total revenue for the current fiscal year (items 1 to 9 inclusive).

11. Transferred from General Revenue Surplus (Deficit) Account. The portion of the revenue fund surplus from previous years actually taken into the current year's budget. Assets of previous years included in the current year's budget represent a *surplus* and should be shown here accordingly. The amount of this item should agree with the relative amount shown under item 2 of Exhibit 9 (Form 24 on page 80). Surplus from
Previous
Years
(If used)

Transferred from Reserves—Reserves brought back into revenue for use, after having been appropriated in the expenditure statement (page 88) and set up in the General Revenue Fund Balance Sheet, should be shown separately here.

12. The total of items 10 and 11.

13. The amount by which item 18 of the expenditures exceeds item 12 above. Deficit
for Year

14. The total of items 12 and 13.

EXPENDITURE

1. Expenditures which cannot properly be classified under items 2 to 14 inclusive, which should be further segregated as follows: General
Government

Executive and Legislative, which would include the office of:

Mayor, Reeve or Warden—Salaries, honorariums, fees or other remuneration, including mileage allowances, of the Mayor, Reeve or Warden and of the secretarial and other staff, as well as stationery, supplies and other general expenses incurred directly in connection with the office or position of head of the municipality.

Controllers—Salaries, honorariums, fees or other remuneration of members of the Board of Control (exclusive of the Mayor) and of the secretarial and other staff, as well as stationery, supplies and other general expenses incurred directly in connection with the office or position of controller of the municipality.

Aldermen or Councillors—Salaries, honorariums, fees or other remuneration, including mileage allowances, of members of council (other than the head or members of the board of control). If separate offices are provided for the individual or joint use of aldermen or councillors, any secretarial and other staff salaries, as well as stationery, supplies, and other general expenses in connection with such offices should also be included; also expenses of committee offices and payment for service on committees of council.

Administrative, which would include the offices of:

Commissioner, Manager or Comptroller—Salaries, honorariums, fees or other remuneration of the City Commissioners, under the Commission system of

administration, Commissioner of Finance, City or Town Manager, or Comptroller, the deputy (or assistant), and accountants, clerks, stenographers and other staff as well as stationery, supplies, and other general expenses incurred directly in connection with the administration of this office.

Clerk—Salaries, honorariums, fees or other remuneration of the Clerk, the Assistant Clerk, and clerks, stenographers and other staff as well as stationery, supplies, and other general expenses incurred directly in connection with the administration of this office.

Treasurer—Salaries, honorariums, fees or other remuneration of the Treasurer, the Assistant Treasurer, and accountants, cashiers, clerks, stenographers and other staff, as well as stationery, supplies, and other general expenses incurred directly in connection with the administration of this office.

Assessor—Salaries, honorariums, fees or other remuneration of the Assessment Commissioner or Assessor, the Assistant Assessor and subordinate assessors, clerks, stenographers and other staff as well as stationery, supplies, and other general expenses incurred directly in connection with the administration of this office.

Collector—Salaries, honorariums, fees or other remuneration of the Tax Collector (or equivalent official), the Assistant Tax Collector and subordinate collectors, accountants, cashiers, clerks, stenographers and other staff as well as stationery, supplies, and other general expenses incurred directly in connection with the administration of this office.

Auditor—If there is an "internal" auditor, all salaries or wages of the Auditor, the Assistant Auditor and audit clerks, stenographers and other staff as well as stationery, supplies, and other expenses incurred directly in connection with the administration of this office, would be included. If there is an "independent (or external)" auditor, the total fees or other remuneration, according to the auditing contract or agreement, would be included, as well as any fees for special work in addition thereto. In the latter instance general office expenses are frequently provided; these should also be included wherever this practice is followed.

Solicitor or Corporation Counsel—Salaries, honorariums, fees or other remuneration of the Solicitor, the Assistant Solicitor and clerks, stenographers and other staff as well as stationery, supplies, and other general expenses incurred directly in connection with the administration of this office; and where an outside solicitor is engaged on a retainer or fee basis, include amounts paid or payable for services rendered.

Purchasing Agent—Salaries, honorariums, fees or other remuneration of the head and other staff as well as stationery, supplies, and other general expenses of a Purchasing Department established separate and distinct from other administrative departments.

Sinking Fund Trustees—Salaries, honorariums, fees or other remuneration of members, and office staff, as well as stationery, supplies, and other general expenses of a "Board of Trustees" or "Trust Commission" established separate and apart from other administrative departments, principally to look after the management and operation of sinking funds. In some instances the trustees are also given jurisdiction over other functions, such as power of administration of municipal properties (rentals, maintenance and sales, etc.); or jurisdiction over transactions relating to the funded debt of the municipality, (i.e., the payment of interest thereon and repayment of principal). The fact that any such additional duties are performed by the trustees should not alter the reporting of their expenses as outlined above, and all revenues and expenditures or other transactions incidental to or arising from the additional duties should be reported according to the exact nature or classification thereof as heretofore or hereafter defined and *not* considered as part of administrative expenses.

Administration Costs of Pension Funds—Costs of administration of any such funds, if provided by the municipality.

NOTE: Expenditures on contributions to established pension or superannuation funds and gratuitous or compassionate allowances to former employees should be charged to the appropriate function of expenditure.

Town Planning or Zoning—Remuneration and other expenses of persons, boards or commissions engaged full or part-time in town planning or zoning, including community planning director.

Other General Government Expenditures—Expenditures which are incidental to general governmental activities such as for:

Elections—General and special, including registrations, cost of printing voters' lists and ballots, rent of polling booths, remuneration to returning officers, deputies, poll clerks and other officials specially employed, as well as costs of judicial inquiries and recounts concerning elections.

Office Buildings—Maintenance and repairs, including salaries or wages of buildings employees as well as supplies, heat, light and power, water, insurance, etc. If the buildings are rented from private ownership, the rental charge should also be included.

NOTE: Expenditures of Police and Fire Departments or other service departments in this connection should not be included here but shown as expenditures of the respective departments concerned.

Conventions and Delegations—Travelling and other expenses of municipal representatives attending conferences or conventions.

Public Receptions—Entertainment of visiting officials and dignitaries, as well as banquets, receptions, etc., for local citizens or organizations.

General Accident and Damage Claims by the public, whether settled privately or through court proceedings. (Do not include injury claims of municipal employees which should be shown as an expenditure of the department in which employed.)

Maintenance of Property Acquired for Taxes—Insurance, repairs, water rates and other maintenance charges, but not including administrative salaries and other expenses of a *Property Department* which should be included above under *Administrative*.

Courts of Revision, Community Planning Advisory Boards and Community Planning Boards—Remuneration to members and other expenses in connection therewith, for these and other review or appeal boards.

2. Expenditures falling within this major classification should be carefully segregated according to departmental or principal functional activities as follows:

Protection
to Persons
and Property

Fire Protection—Expenditures of the fire department or for fire-fighting activities which in addition to any not specifically referred to, would include:

Administration—Salaries or wages of the Fire Chief, his immediate assistant(s) and clerks, stenographers and other staff, as well as stationery, supplies, and other general expenses incurred directly in connection with the supervision or administration of the department's activities.

Fire Fighting Force—Salaries or wages of district chiefs, inspectors, captains, lieutenants, sergeants, firemen and other personnel assigned to engine or truck service, fireboat service, salvage and rescue squads, as well as expenditures for a volunteer force; and in addition the costs of equipment and apparatus (including operation and maintenance), clothing, supplies, and other expenses incurred directly in connection with these services.

Fire Alarm System—Salaries or wages of personnel, costs of equipment (including operation and maintenance), supplies, and other expenses directly applicable to the fire alarm or other system of communication.

Fire Stations and Buildings—Maintenance and repairs, supplies, salaries or wages of attendants, and other expenses, including heat, light and power, water, insurance, etc. If the buildings are rented for the use of the fire department, the rental charge should also be included.

Water Cost and Hydrant Rental—In many instances the water utility imposes a charge to the municipality for water service based on the necessity of maintaining sufficient pressure in the system to provide the maximum requirements of water for fire-fighting purposes. Such a charge may be on a flat rate basis, or a fixed sum in approximate relationship to the volume of water used by the fire department in the course of attending fires, or it may be in the form of a hydrant rental at a fixed rate per hydrant. Charges of this nature properly represent part of the cost of the fire department and should be included accordingly.

Employers' Liability Insurance—Expenditures for insurance against claims or damage actions by employees of the fire department for injuries sustained in the course of their duties.

Auxiliary Services—Salaries or wages and other expenses in connection with medical services and training schools.

NOTE: Include municipal contributions to firemen's pension, superannuation or benefit funds, with salaries.

Police Protection—Expenditures for policing activities, which, in addition to any not specifically referred to, would include the following:

Administration—Salaries or wages of the Police Chief or Commissioner, his immediate assistant(s) and clerks, stenographers, and other staff, as well as stationery, supplies, and other general expenses incurred in connection with the supervision or administration of the department's activities.

Police Commission—Expense of police commission where the commission is entirely administrative and has nothing to do with law enforcement. If charged with responsibility for law enforcement, see next sub-item, Law Enforcement.

Protective Service—Salaries or wages of police inspectors, sergeants, constables and other personnel, as well as expenditures on equipment and vehicles (including operation and maintenance), clothing, supplies, and other expenses incurred directly in connection with general policing activities; and in addition, expenditures for salaries, wages, maintenance and operation of traffic lights and conduits in connection therewith.

Crime Investigation—Salaries or wages of the detective force, squad or bureau and criminal records branch, as well as costs of equipment (including operation and maintenance), clothing, supplies, and other expenses incurred directly in connection with criminal investigation activities.

Police Signal System—Salaries or wages of personnel, costs of equipment (including operation and maintenance), supplies, and other expenses directly applicable to the police signal and other communication systems, such as radio, telephone, teletype, signal lights and call boxes.

Police Stations and Buildings—Maintenance and repairs, supplies, salaries or wages of attendants, and other expenses, including heat, light and power, water, insurance, etc. If the buildings are rented for the use of the police department, the rental charge should also be included.

Employers' Liability Insurance—Expenditures for insurance against claims or damage actions by employees of the police department for injuries sustained in the course of their duties.

Detention and Custody of Prisoners—Meals and other expenses pending trial or prior to conviction.

Auxiliary Services—Salaries or wages and other expenses in connection with ambulance or medical services, patrol wagons, training schools and other similar activities.

NOTE: Include municipal contributions to policemen's pension, superannuation or benefit funds, with salaries.

Law Enforcement—Expenditures, which in addition to those not specifically mentioned or which are of an equivalent character, would include:

Police Commission—Salaries, fees or honorariums of members of the Police Commission (or Board of Police Commissioners) and the secretary, clerks, stenographers and other staff, as well as stationery, supplies, and other expenses in connection therewith. Report Police Commission here if it is charged with law enforcement. If not so charged, but administrative only, show under Police Protection, the sub-item previous to this one.

Police and Recorders' Courts—Salaries, wages or honorariums of the the police magistrate and other court officials (court clerk, court reporter, clerical and stenographic staff), general office and other court expenses, and the cost of maintenance and upkeep of any such court buildings.

Juvenile and Domestic Courts—Salaries, wages or honorariums of the presiding judge and other court officials (probation officers, clerical and stenographic staff), general office and other court expenses, and the cost of maintenance and upkeep of any such court buildings.

Division Courts—Salaries, wages or honorariums of the presiding judge or the junior or deputy judge and other court officials (bailiffs, clerical and stenographic staff), general office and other court expenses, and the cost of maintenance and upkeep of any such court buildings.

Prosecuting Attorney—Salaries, fees or honorariums of the Prosecuting or Crown Attorney, together with the salaries or wages of his staff and other general office expenses. If the position of prosecuting attorney is held by the city solicitor, his departmental expenditures should be divided as between the two services.

Coroners, Witnesses, Jurors and Interpreters—Fees and other expenditures in connection with Coroners' Inquests; witness fees payable by the municipality in court actions; fees and other expenditures in respect of persons performing jury duty, as well as those for the selection of jurors; and fees and other expenditures in connection with the engagement of persons to act as interpreters in court actions.

Joint Civil Justice or Criminal Justice Courts—The local municipality's share of the cost of any such courts, as in the case of payments to counties by cities and separated towns in Ontario for administration of justice.

Corrections—Maintenance and operating costs of Gaols, Industrial Farms, Detention Homes and other Corrective Institutions which are maintained and operated by the municipality. Also include charges against the municipality for maintenance of inmates in similar institutions operated by other authorities.

Protection Inspection—Salaries, wages, stationery and supplies, and other general expenses in connection with the various inspection services maintained by the municipality, such as *Building and Structural, Plumbing, Electrical, Gas, Boiler, Elevator, Weights and Measures and Weed Inspection*; but *excluding* health inspection which should be included under item 5, Health.

Street Lighting—Maintenance and repairs to standards and fixtures as well as the cost of power, gas or other lighting medium for the illumination of streets, alleys, bridges and tunnels other than those located in parks for which the costs thereof are kept separate.

Destruction of Pests—Expenditures incurred in connection with the control and destruction of pests, such as *mosquitoes, grasshoppers, corn borers, gophers, rats, rabbits* and other rodents, *crows, weeds on streets*, and infestations of tree diseases, including bounties, and grants for such purposes.

Other Protection—This would include such services as *Flood Control*, maintenance and operation of a *Public Morgue*, maintenance of *Railway Crossing*

Signals, and protection to *Animals*. The latter would include salaries and other expenses of the dog catcher or humane officer, maintenance and operation of dog and other animal pounds, as well as grants or contributions to humane societies, and payments made under the provisions of sheep protection acts for sheep destroyed by dogs. Also expenditures incurred for *Smoke Abatement*, the control and elimination of industrial and other smoke and air pollution. (Expenditure for this purpose on municipal plant and buildings should be charged to the function which the building serves.)

Share of Registry Office Expenses—Include here "Share of Registry Office Expenses" wherever applicable.

Public Works

3. Expenditures relating to the use of streets or thoroughfares and structures and improvements in connection therewith. *Do not include* in this item expenditures for *garbage collection, street cleaning and flushing* or for *sewers*, all of which are to be included under item 4, Sanitation and Waste Removal. Public works would include the following:

Streets, Roads, Bridges, etc.—

Streets and Roads, Bridges, Viaducts, Subways and Tunnels, including *Grade Crossing Eliminations and Sidewalks*—Salaries or wages of superintendents, foremen, subordinate engineers and other employees, as well as labour, material and supplies, costs of equipment (including operation and maintenance), and other expenses in connection with maintaining and repairing streets and roads, etc.

NOTE: Detail of road and street expenditure is to be set out in Schedules W and Z on pages 310 and 314 respectively.

Snow and Ice Removal—Salaries or wages of persons, material and supplies, costs of equipment (including operation and maintenance), and other expenses in connection with snow and ice removal and for sanding streets, sidewalks and other thoroughfares.

Other—

Administration—Salaries or wages of the City Engineer, Commissioner of Works or Public Works Foreman, as the case may be, his immediate assistant(s) and clerks, stenographers and other staff as well as stationery, supplies, and other general expenses incurred directly in connection with the supervision or administration of the department's activities.

Waterways—Salaries or wages of persons, material and supplies, costs of equipment (including operation and maintenance), and other expenses in connection with dredging, deepening, widening and straightening rivers, streams, lakes and waterways, other than those included in parks, or for flood control.

Drainage—Salaries or wages of persons, material and supplies, cost of equipment (including operation and maintenance), and other expenses in connection with maintaining and repairing ditches, drains and wells established for the purpose of conserving moisture from surface drainage. Such drainage would be limited more or less to rural municipalities and the smaller urban communities but should not include expenditures for storm sewers which are included under item 4, Sanitation and Waste Removal.

NOTE: For the most part the foregoing represents the major activity groups of public works expenditure on the basis that all expenses incidental thereto are either charged direct or costed or apportioned according to the activities in respect of which the expenditures were incurred. While this procedure may be followed in the larger municipalities it is relatively impracticable to do so in the smaller ones. In this latter instance expenditures included above would consist principally of labour, material and supplies, whereas the expenditures which otherwise should be apportioned would be included in the following:

Workshops, Yards and Other Buildings—Salaries or wages of attendants, mechanics, storekeepers and maintenance and repairmen; building maintenance

and repairs, heat, light, power and water and other expenses in connection with the operation of shops, supply depots, stockrooms, yards and other buildings for the storing of material, supplies, and equipment used in connection with public works activities.

Workmen's Compensation—Expenditures for sickness compensation or for insurance against claims or damage actions by public works employees for injuries sustained in the course of their duties.

General Equipment—Expenditures for the replacement of public works equipment such as automobiles and trucks, snow plows, wagons, road scrapers or graders, and other motorized or mechanical equipment. Also original purchases of small units should be included here but expenditures for the original acquisition of larger units, if made from this fund, should be included in item 13, Contributions to General Capital and Loan Fund.

Small Tools and Equipment—Expenditures for hand or portable tools, implements and accessories which are of nominal value or short life and other small articles which are easily lost, misplaced or stolen.

Maintenance and Repairs to Equipment—Expenditures for repairs, gas, oil, grease and other maintenance costs of automobiles, trucks and other public works equipment.

Parking Meters—Expenditures for repairs and maintenance.

Off Street Parking (provided by the municipality)—Where not operated as a Utility under a parking authority.

Street Signs and House Numbering—Expenditures for equipment, installation, maintenance and replacement of street name signs and house numbers.

Landing Fields—Expenditures for maintenance of a landing field or airstrip which is owned by the municipality, but is not operated as a self-accounting Airport Utility.

4. Expenditures relating to the collection or removal and disposal of sewage, street deposits and other waste, which would include the following:

Sanitation
and Waste
Removal

Administration—Salaries or wages of the Commissioner, Director, Superintendent, Engineer or chief official in charge, his immediate assistant(s) and clerks, stenographers and other staff as well as stationery, supplies and other general expenses incurred directly in connection with the administration or supervision of sanitation activities. Also, this would include a proportionate share of Public Works Administration expenditures if one administrative head or department has jurisdiction over both public works and sanitation activities.

Sewer System—Salaries or wages of persons, materials and supplies, costs of equipment (including operation and maintenance), and other expenses in connection with maintaining, repairing and operating the sewer system, including: storm sewers and sanitary sewers, catch basins and manholes, also inspecting sewers, cleaning and flushing sewers and the operating of booster stations. Also include expenditures for share of repairs to private drains.

Sewage Treatment and Disposal—Salaries or wages of the plant superintendent or engineer and staff, as well as labour, material and supplies, and other expenses in connection with maintaining and operating plant and equipment used in connection with the treatment and disposal of sewage, including the reclamation of sludge areas.

Street Cleaning and Flushing—Salaries or wages of persons, material and supplies, costs of equipment (including operation and maintenance), and other expenses in connection with the removal of leaves, storm debris and other waste deposits from the streets. Also include expenditures for dust prevention, which may be accomplished by oiling or street sprinkling or by the application of calcium chloride.

Garbage and Waste Collection—Salaries or wages of persons, material and supplies, costs of equipment (including operation and maintenance), and other expenses incurred for collecting garbage and other waste material, such as ashes, cans, boxes, bottles, scrap metal, and burned refuse. If this collection service, either wholly or in part, is performed privately under contract, any cost to the municipality should also be included.

Garbage and Waste Disposal—Salaries or wages of the plant superintendent or engineer and staff as well as labour, material and supplies, and other expenses in connection with maintaining and operating an incinerator or other plant and equipment for the disposal of garbage and other waste material. Also include rentals and other expenditures for maintaining nuisance grounds (or dumps) for this purpose.

Comfort Stations—Salaries or wages of persons, repairs, material and supplies, heat, light, water, and other expenses in connection with maintaining and operating comfort stations other than those included in parks or other recreational or community centres.

Health

5. Expenditures for the conservation and improvement of public health as follows:

Public Health—

Administration—Salaries, wages or fees and expenses of members of the Board of Health, medical health officer, city or town physician (employed to supervise or carry out the programs under this heading, but not to provide medical care), public health nurses, clerical staff, stationery and supplies, and other administrative expenses which can be allocated to public health.

Regulation and Inspection—Salaries or wages of persons, stationery, supplies, and other general expenses incurred for the regulation and inspection of water, milk, food, drugs, restaurants and their personnel, and shops, and other inspection services designed to eliminate unsanitary conditions.

Control of Communicable Diseases—Salaries or wages of persons, stationery, supplies, and other general expenses incurred for the control of communicable diseases, other than hospitalization charges. Include clinics and dispensaries such as for tuberculosis, venereal and other diseases, as well as quarantine, disinfection, vaccination and immunization.

Maternal and Child Health—Salaries and wages of persons, stationery, supplies, and other general expenses for child health services, other than communicable diseases, including pre-natal and pre-school clinics and well-baby clinics, and school health programs where paid out of municipal funds.

Clinics and Laboratories—Salaries or wages of persons, stationery, supplies, and other general expenses of maintaining and operating general health clinics or centres, and laboratories, other than those established for specific purposes which would be included under one of the previous sub-items.

Other—Public health expenditures which cannot properly be classified above. These should be detailed.

Medical, Dental and Allied Services—

Administration—Salaries or wages of persons, stationery, supplies and other general expenses incurred for the provision of medical, dental and nursing care, and for pharmaceuticals used or provided during such care.

Physicians' services—Administration of the provision of medical care under municipal doctor schemes (in Manitoba, the gross cost to the municipality of Medical Care Districts), or to indigents. Payment for such services by salary or fees, grants to physicians for indigent care, or to encourage practice in a community.

Nursing Services—Payment of salaries or fees for the treatment of indigent or other patients; grants to nursing orders.

Dental Care—Expense of dental clinics maintained by the municipality, dentists' fees, etc.

Pharmaceuticals—Cost of providing pharmaceuticals to indigents and others.

Other—Medical, dental and allied service expenditures not set out above. These should be detailed.

Hospital Care —

Municipal Hospital Contribution/Deficit—Contributions to and deficits of municipal hospital or hospitals. The operating revenues and expenditures, including debt charges, should be reported in the recommended form of hospital statements (see page 123) with only the net cost to the General Revenue Fund of the municipality shown here, whether it be by way of grant or by way of payment of the annual deficits. *Should* any operating surplus accrue to the General Fund of the municipality, it is to be reported under item 8 of the Revenues, identified under sub-sub-item 832.

Payments to hospital districts in Manitoba, Saskatchewan and Alberta should appear under item 14, Joint Expenditures.

Other Hospital Care —

Administration—Salaries and wages of persons, stationery, supplies and other general expenses of administering hospital care, but not to include the administration costs of a hospital as a unit.

Payments to Hospitals for Services—Non-recoverable expenditures to maintain patients in municipal or non-municipal hospitals, sanatoria and mental institutions. Recoverable payments would be shown as a payment and be set up as an account receivable, but would not become an expenditure of the municipality unless written off as uncollectable. Include sanatoria levies in Manitoba and Saskatchewan and in Alberta the provincial levy on municipalities under the Hospitalization Benefits Act.

Payments for Hospital Insurance—Expenditures to provincial hospitalization commission on premiums for indigents or other wards of the municipality. (Any such expenditures on behalf of employees of the municipality would be a service payment chargeable to the function along with unemployment insurance, etc.)

Grants—to hospitals and sanatoria for construction and equipment and for maintenance and operation, unless capitalized, when they should go through the capital accounts and appear in the General Capital and Loan Fund statements.

Other—Other expenses for hospital care not set out above. These should be detailed.

NOTE: Municipal contributions to health units, health regions, hospital districts, and other local units of health administration which overlie municipal organization should not be shown here. As the actual health expenditures are made by the unit or by the province on behalf of the unit, the contributions by the municipality out of municipal funds, or special levies for the purpose are in the nature of joint expenditures, and therefore should be reported separately under item 13 and identified. This does not, however, apply to health boards or departments of the municipality, which have direct responsibility for administration of health services. Expenditures by or on account of these should be classified hereunder.

Other Health—Include here expenditures for:

Administration—Salaries, wages or fees, stationery and supplies, and other general expenses incurred for the administration or supervision of the overall health program of the municipality and not distributable to Public Health, Medical, Dental and Allied Services or Hospital Care.

Vital Statistics—Fees paid for registrations, or other direct cost in connection therewith.

Grants—made to organizations for the promotion of health programs, such as to St. John Ambulance, which are not distributable to the three classifications, Public Health, Medical, Dental and Allied Care, and Hospital Care. Specific grants for those activities should be shown thereunder.

Social
Welfare

6. Expenditures should be segregated into the principal functions which follow. Any supplements to federal and provincial social welfare pensions and administration costs therefor should be reported under the appropriate sub-item. Medical, dental and allied services and hospital care of these classes of persons should be classified under Health.

Aid to Aged Persons —

Municipal Home Contribution/Deficit—Contributions to and deficits of municipal homes for the aged and infirm. The operating revenues and expenditures, including debt charges, should be reported in the institution's statements, with only the net cost to the municipality shown here, whether by way of grant or by way of payment of the annual deficit.

Other Aid to Aged Persons —

Payments to Institutions for Services—Expenditures to maintain aged and infirm persons in homes not operated by the municipality.

Grants—to homes for the aged and infirm not operated by the municipality.

Aid to Blind Persons — Which should include the following:

Blind Pensions—Administration and supervision, together with the municipality's share of pensions where such a contribution is made.

Also expense of maintaining persons in institutions for the blind, together with grants to such institutions. Tuition fees paid to schools for the blind and deaf should be shown under item 7-74, Education.

Aid to Unemployed and Unemployables — Which should include, at the gross expenditure: administrative and supervisory costs of such aid: assistance payments to persons and their dependents because of unemployment, indigency, or agricultural distress, such as for food, fuel, clothing, shelter, and food for animals; similar aid to and care of transients; the expense of rehabilitation services designed to assist such persons in refitting themselves for employment or in farm settlement or resettlement. Also moving or transportation expenses of such persons to locations where employment may be found, or to other living quarters; and ambulance fees, school books and school supplies of unemployed, unemployables and their families. It would include such aid expenditures from voluntary donations to the municipality for charitable purposes, such donations appearing in Revenue under item 9. Also included would be the cost of maintaining unemployables in private or religious charitable institutions, or those operated by other municipalities.

All such expenditures should be included whether or not they are allowable items or within the prescribed limitations according to regulations of the Dominion and/or Provincial Government for assistance by way of grant-in-aid or shared-cost contribution. They should be reported at the full or gross expenditure, grants-in-aid and shared-cost being reported in item 8 of the Revenue.

NOTE: Do not include relief or winter works programs, which expenditures should be charged to the proper function, or debt charges on relief debt, which should be charged to Debt Charges, item 9.

Mothers' Allowances — Which should include administration and supervision, and the municipality's share of such allowances, where such contributions are made.

Child Welfare —

Children's Homes Contribution/Deficit—Contributions to and deficits of municipal orphanages, boys' or girls' homes, children's aid societies, other homes for children, day nurseries, etc. The operating revenues and expenditures, including debt charges, should be reported in the institutions' statements, with only the net cost to the municipality shown here, whether by way of grant or by way of payment of the annual deficit.

Other Child Welfare — Maintenance of children as inmates in similar institutions operated by private or religious organizations, or other municipalities, and in foster or boarding homes, and grants to institutions such as those listed above.

NOTE: Miscellaneous revenues arising from the operation of any of the above municipally-owned institutions, without Special Activity Status, including separate accounts, should not be deducted from the expenditures but included in the revenue section and classified the same as all other municipal revenues with particular care being taken to see that grants or payments from the province or from other municipalities are shown accordingly.

Other—Which should include general administration and supervision not separable or distributable between the above items. Also grants to miscellaneous welfare organizations and societies which cannot be allocated to specific items above; emergency shelter and expenses for the burial of indigents.

7. Expenditures for school purposes, as follows:

Education

School Authority Requisitions—The total of all School Authority requisitions payable for the year (including statutory levies in Manitoba, and county grants to school authorities in Ontario). This total is to include debt charges payable by school authorities or by the municipality on their behalf. If payable by the municipality, school debt charges are to be reported by the municipality as set out in item 9, Debt Charges, below. Alberta Counties should report here all expenditures on education; these should be appropriately classified, and education debt charges shown in item 9 should be separately identified. The education portion of County Rates levied on Ontario municipalities should be shown in County Rates under item 14, not here in Education.

Expenditure for elementary, secondary, and technical or vocational schools should be shown separately, as in Exhibit 10 wherever such an organizational division of educational facilities and expenditure is required. Otherwise, it may be considered desirable to list the school authorities by name and show the amount requisitioned by each, either within the expenditure statement or in a separate schedule.

Other Education Expenditure—Expenditures by the municipality for educational purposes which are over and above the requisitions described above, such as tuition fees and voluntary grants to schools and universities; and amounts provided for the education of the deaf and blind, as in New Brunswick and Nova Scotia. All such items should be identified.

8. Recreation Services — Which would include *Community Centres and Halls, Municipal Golf Courses, Swimming Pools, Beaches and Baths, Skating Rinks and Arenas, and Amusement Parks and Playgrounds*. The latter should be distinguished from other parks as referred to on page 95 in connection with the revenues from such activities. **Recreation and Community Services**

Community Services — Which would include *Cemeteries, Libraries, Museums, Art Galleries, Exhibitions and Fairs, Parks, Tourist Camps, Markets and Weigh Scales*.

The above groupings are not entirely definitive, as there may be combination, overlapping or sharing of facilities. However, amusement parks and playgrounds are for outdoor play and recreation, and differ from parks, public squares and similar areas intended for beautification and relaxation.

Expenditures on this function should be segregated as follows:

Special Activities — Contributions/Levies/Deficits — Where any activity is administered as an accounting entity it should be regarded as a Special Activity (see page 121), and should be reported on fully in Section "C". This is most likely to apply to Cemeteries, Arenas, Libraries and Exhibitions and Fairs, but may apply to other Recreation and Community Services in larger municipalities. When so administered and accounted for, each Special Activity should be named here, and only the contributions made by the General Revenue Fund to each such Special Activity should be shown, whether by way of levies made on their behalf, grants, or deficits met; that is, the net cost to this fund. All operating revenues and expenditures of a Special Activity should be reported in its own accounts, including municipal and other assistance, and debt charges.

Should any operating surplus accrue to the General Revenue Fund by transfer from a Recreation or Community Service Special Activity Fund, it should be reported under item 7 of the Revenue.

Other Recreation Services —

Other Community Services — Where any of these Recreation or Community Services, including cemetery facilities, are provided by the municipality on a general basis without separate accounting and administration, the gross expenditures (no operating revenues deducted) should be shown here, except for debt charges, which would appear under item 9, Debt Charges. Revenues derived from operation of the facilities should be shown on the Revenue side of this statement classified on the same basis as other general revenues (i.e. rents in item 3, contributions in item 8, etc.).

Include here also expenditures by way of contributions to private recreational and community services organizations and associations, as well as expenditure for public celebrations.

Debt Charges

9. This item should be recorded under the following main and subsidiary headings.

Long-Term Debt Charges —

Debenture Debt Charges — Net principal instalments, sinking fund requirements and interest due during the current fiscal year in respect of all general fund debentures issued by the municipality, as well as similar amounts due in respect of debentures assumed from other municipalities. All debt charges payable from or through General Revenue Fund are to be shown in Schedule 18, those recoverable from outside authorities, such as Special District Authorities, School authorities, etc., are to be deducted in that schedule, and the net amount met from General Fund revenues is to be reported here. Debt charges of Utilities and Special Activities are to be reported in the statements of such Funds.

Principal repayments of and interest on Municipal Improvements Assistance Act loans, as well as long-term provincial loans of similar nature for capital projects for which debentures are hypothecated, should be included here, but not interest on interim advances covering incompletd projects, which should be included in the next item.

Other Long-Term Debt Charges — Principal and interest due during the current year on account of long-term indebtedness to banks, governments and others, including other funds of the municipality where the terms call for payment

over or at the end of a term of years, but which are not debentured, though they may be secured by unsold debentures. Exclude repayment of the M.I.A. Act loans and long-term provincial loans of a similar nature (for capital projects) for which debentures issued for the purpose are hypothecated (to be included in 9-91 above), but include interest on interim loans covering uncompleted projects. Include also principal retirement and interest on Central Mortgage and Housing Corporation loans for the provision of municipal services to C.M.H.C. housing projects. Detail of this item is to be shown in Schedule 18, page 118.

Other Debt Charges—

Temporary Debt Charges—Bank and other interest on temporary borrowings for general revenue fund purposes. Also include exchange and other bank charges. *Do not include principal repayment of temporary debt.*

Other—

Discount (if amortized) on Sale of Debentures—The amount of the yearly expenditure for the reduction of unamortized discount as shown under Item 16, Other Assets, in the General Revenue Fund Balance Sheet, when amortization of such amounts is required or permitted. If the total discount is paid in one year the amount should be shown as an expenditure under Item 13, Contributions to General Capital and Loan Fund.

Premium (or amount amortized) or Loss on Sale of Securities Purchased as Investments—The expenditure over and above the face value when investments are purchased, or that part of such premium amortized as is written off during the year. Also include loss sustained when investments are sold at less than the value shown in the balance sheet.

Loss on Foreign Exchange—The expense due to unfavourable exchange rates in obtaining foreign loans, on the repayment of such obligations at a less favourable exchange rate than that under which the debt was incurred. Also include loss on exchange of foreign funds.

10. Deficits Provided—Deficits of utilities (see listing, p. 157), for either current or previous fiscal years, which were actually provided for out of general revenue fund budget appropriations of the current fiscal year. Any such amounts shown here should agree with the relative amounts shown under item 6 of Exhibit(s) 21 (Form 39 on page 182). Specify each utility. **Utilities**

Municipal Levies for Utilities—Amounts provided out of taxation for or on behalf of utilities other than for deficits; these would include levies by general or special area rates as well as direct charges, such as for local improvements—watermains. Although such levies usually apply only to debt charges, they may, in some instances, also include a portion of the maintenance and operating expenditures.

11. Charges against revenue of the current year for—

Appropriations for Reserves—

Appropriations for reserves are the amounts *appropriated* (sometimes expressed as “provided”) from revenue so as to channel a portion of the revenue of the year into a reserve in the balance sheet for possible future use or to ensure availability of working funds.

Some common appropriations for General Revenue Fund Reserves are those for:

Undetermined Losses on Assets—Such as provision of a reserve against uncollected taxes of the current year which it is expected will be collected in the

**Appropriations
for Reserves
and Provisions
for Allowances**

next or future years, due provision for an allowance for uncollectible taxes having first been made. Such a reserve is sometimes used to establish a *financing* or *working fund*.

Contingencies — such as for damages arising out of court action.

Future Expenditures — such as: the accumulation ahead of time of funds to provide a service; potential increases in costs—i.e. salary or wage revisions which may be back-dated; future contributions to General Capital and Loan Fund for the replacement or acquisition of fixed assets.

NOTE: When moneys are to be expended from any of these reserves they should be brought back into Revenue under item 11-112.

NOTE: Commitments or encumbrances, or liabilities incurred but not billed or invoiced, should not be shown here, but rather as expenditures within the appropriate functions.

Provisions for Allowances —

Provisions for allowances are the amounts *provided* from revenue as the likely loss on outstanding accounts or on the realization of disposable assets, so that the balance sheet will indicate, insofar as may be estimated or determined, the net value of the assets, and so that the losses may be charged against the revenue of the year to which they apply or at least of the year in which they become apparent.

Some common provisions for General Fund Allowances during a fiscal year are those for:

Uncollectible Taxes — The amount of current taxes and arrears of taxes which it has been estimated or established will never be collected. Uncollectible interest on taxes may be shown separately if required.

Property Acquired for Taxes — the portion of the asset value of such property which it has been estimated or established cannot be realized.

Uncollectible Accounts Receivable — the total of those accounts receivable which it has been estimated or established will never be collected. Detail may be shown.

NOTE: Actual losses are written off against these allowances in the General Revenue Fund Balance Sheet. Any reduction of these allowances because of previous over-provision should be brought back into revenue under item 11-112.

Contributions to Reserve Funds

12. Contributions of the General Revenue Fund to Reserve Funds, that is, to funds which have been established to hold and expend municipal moneys, and for which separate financial statements are maintained as set out in Section "F", page 213. These are usually capital reserve funds, and expenditures may only be made for the purposes for which the fund was established, in some provinces only with approval of provincial authorities. Contributions may be spasmodic or regular, and may be made to build up the fund or to replace expenditures therefrom.

Contributions to General Capital and Loan Fund

13. When moneys are expended from General Revenue Fund for the acquisition of General Fixed Assets, the expenditures should be shown here as a contribution to the General Capital and Loan Fund, and the statements of that Fund should record the source as Provided by General Revenue Fund, and classify the expenditure along with all others from any source. This permits the total cost of a general fixed asset to be recorded in one account, whether the financing came from one or several of such sources as debentures, general revenue, capital reserve funds, provincial grants, etc. and permits also the presentation of the whole capital program in one statement.

NOTE: This should include only expenditures actually incurred. Appropriation for reserves for the acquisition or replacement of fixed assets should be shown under item 11, and contributions to Reserve Funds under item 12.

Include and separately identify amounts paid to General Capital and Loan Fund to cover discount on debentures, the amount by which selling price falls short of the face value, where such amounts are not required to be amortized, or amortization is not permitted.

14. In many instances municipalities are required to provide in their tax levies or rates for a portion of certain charges which are shared jointly with other municipalities, or to provide for amounts which are expendable for the benefit of certain prescribed or limited areas of the local municipality. These would consist principally of the following items, summarized by provinces, for which the special levy or the respective municipality's share of the *total* charges should be shown separately in the statement.

Joint or
Special
Expenditures
(N.O.P.)

Various Provinces—Health units, health regions, and other local units of health administration (see paragraphs following this listing).

Nova Scotia—

Joint Expenditure Boards or Committees (share of total charges).
District or Special Area Rates or Levies (Police, Fire,
Sewage and Improvement Areas, etc.)
Village Commissioner's Rates.

New Brunswick—

County Rates (Cities, Towns and Villages).

Quebec—

Montreal Metropolitan Corporation Charges.
County Rates.

Ontario—

Metropolitan Toronto Rates.
County Rates (including secondary and other educational
charges to local municipalities).
Police Village Rates or Levies.
Special Area Rates or Levies (Police, Fire, Sewage and
Improvement Areas, etc.).
Suburban Roads Commission Charges.
Interurban Administrative Area Levies.

Manitoba—

Provincial Trunk Highways.
Village District Committee Rates or Levies.
Hospital District Levies.

Saskatchewan—

Union Hospital District Levies

Alberta—

Municipal Hospital District Levies
for capital or unapproved operating costs.

British Columbia—

Greater Vancouver Sewerage and Drainage
District Charges.
Greater Nanaimo Sewerage and Drainage District Charges.

A full explanation of each of these items and of their treatment in the municipal report is contained in Appendix "1", pages 229 to 250.

In all provinces where municipal corporations contribute to overlaying health units, health regions, and other local units of health administration, whether directly, or indirectly through the provincial government, such contributions should be shown hereunder as a separate sub-item, and not as expenditures under item 5, Health.

Such classification is required because the actual expenditures on "Health" are made by the unit, or by the province on behalf of the unit, and not by the municipal corporation, which merely pays over grants, or levies made upon it to meet its share of the cost. This does not, however, apply to health boards or departments of the municipality, expenditures for which should be classified in the proper subdivisions of item 5, Health.

Miscellaneous Expenditures

15. This item is not intended as a repository for items not easily identifiable or difficult to classify, but which rightfully belong in items 1 to 13. It should include only those which cannot properly be classified under any of the above items, such as the following:

Trade and Industrial Development—Remuneration and other expenses of persons, bureaus or committees for the promotion of tourist attractions and for community development of business and industrial activity. Grants to similar private organizations as well as community and promotional advertising should also be included.

Grants (not otherwise classified)—Include here only those grants which cannot be properly classified under expenditure items 1 to 8 or under Trade and Industrial Development or War and Other Emergencies in this item. (For instance, grants to health organizations should be recorded under item 5, Health, as should those to hospitals; grants to welfare societies should appear under item 6, Social Welfare, grants to recreational groups under item 8, Recreation and Community Services.)

War and Other Emergencies—Salaries, wages and other expenses in connection with disaster emergencies, and grants in relief thereof to persons, municipalities, or other governments.

Civil Defence—the total expenditure by the municipality for civil defence, including amounts provided by other governments for that purpose.

Loss on sale of Property Acquired for Taxes—Losses on such sales which are written off as expenditure of the year (where permitted by law) otherwise see Item 5 on page 81.

Implementation of Guarantees—Payments on account of guarantees for either principal or interest on debentures, or for other obligation of private persons, firms or corporations and other municipalities.

Discount on Current Taxes—Discounts allowed for either the prepayment or prompt payment of taxes levied for the current year.

Slum Clearance—If the expenditure is part of the cost of a housing enterprise, the expenditure should be shown by the enterprise. If the expenditure is for housing, and made by the municipality from ordinary or capital account, such as when a housing enterprise has not been established, any General Revenue Fund expenditure should be classified here, any General Capital Fund expenditure in Exhibit 7, page 53. If the slum clearance is to make way for a project other than housing, the expenditure should be charged to the function to be served, i.e. in the case of clearance for a park, to Community Services.

Acquisition of land for housing projects when cost borne directly by the General Revenue Fund rather than the housing utility. For capital expenditures see Exhibit 7, page 53.

Conservation expenditures other than joint expenditures thereon, which should be shown under Item 14, page 88.

Housing expenditure, where no separate accounting on a utility basis is made.

16. The total expenditures for the current fiscal year (items 1 to 15 inclusive).

17. The portion of the revenue fund deficit from previous years which was actually provided for in current budget appropriations. Liabilities of previous years included in the current year's budget represent a *deficit* and should be shown here accordingly. The amount of this item should agree with the relative amount shown under item 2 of Exhibit 9 (Form 24 on page 80).

Deficits from
Previous
Years
(If any)

18. The total of items 16 and 17.

19. The amount by which item 12 of the revenues exceeds item 18 above.

Surplus
for Year

20. The total of items 18 and 19.

**SUMMARY OF TAX (OR RATE) ROLL
FOR THE YEAR 19 ..**

SCHEDULE 16

Analysis of Levy (1)	Net Requirements Exclusive of Provision for Debt Charges (2)	Net Require- ments for Debt Charges (3)	Total Levy (4)
1. Taxes Levied for—			
11. Municipal Purposes:			
111. General Expenditures	\$	\$	\$
12. School Purposes:			
121. Public School
122. Separate School
123. Secondary-High School, Continuation School, and Collegiate
124. Technical or Vocational School
13. Direct Charges for Debentures:			
131. Local Improvements (Owners' Share only)
132. Tile Drainage
133. Other: (Specify)
1331.
1332.
1333.
2. Total Taxation Revenue	\$	\$	\$
3. Charges or Taxes Placed on Tax (or Rate) Roll for Col- lection—			
31. Commuted Statute Labour		\$	
32. Dog Tax	
33. Municipal Telephone	
34. Utility Rates Arrears	
35. Weed Cutting	
36. Other: (Specify)			
361.	
362.	
363.	
4. Total Charges on Tax (or Rate) Roll for Collection		\$	
5. Total Taxation Revenue and Charges—In respect of Cur- rent Year			\$
6. Prior Years' Assets Added to Current Roll—			
61. Arrears of Taxes
62. Seed Grain Loans
63. Other: (Specify)			
631.
7. Total Face Amount of Tax (or Rate) Roll			\$

Explanatory Notes: (Form 26)

This schedule shows the detail, in condensed form, of the total taxes levied for the year under review as well as other amounts placed on the yearly tax (or rate) roll for collection. Column (1) shows the purpose for which the taxes were levied on the basis of which the analysis should be made. It should be printed with the descriptions required or appropriate. Column (2) represents the net budgeted requirements (exclusive of debt charges) for the year under review (i.e., after deducting grants and other revenues from miscellaneous sources). Column (3) represents the net budgeted requirements for debenture debt charges after deducting recoverables, and applies only to debentures issued by the municipality (it does not apply to debentures issued by school authorities direct for which the municipality levies and collects the taxes). Column (4) represents the total of columns (2) and (3) or the total taxes levied for the year under review.

Item 1 (11)—The total taxes levied for municipal purposes. While the statutes may require that certain amounts must be provided by a special rate in addition to the general municipal rate, such as for Metropolitan rates, or special district authority rates. These levies are to all intents for general municipal purposes and should be shown accordingly in this statement. See also instructions in this regard in Appendix I, page 229 wherever applicable.

Item 1 (12)—The total taxes levied for School Purposes. The amount shown in columns (2) and (3) should correspond with the amount shown as expenditures under item 7 in Exhibit 10 (Form 25 on page 87). See explanation in this regard on page 107.

Item 1 (13)—Direct charges on the yearly tax (or rate) roll for debentures such as Local Improvement Frontage Rates—Owners' Share, and charges for Tile Drainage debentures in Ontario.

Item 2 —The total of items 1 (11 to 13 inclusive) which represents the total credit to Taxation Revenue for the year under review.

Item 3 —Charges or taxes placed on the yearly tax (or rate) roll for collection.

Item 4 —The total of items 3 (31 to 36 inclusive).

Item 5 —The total of items 2 and 4 which represents the total of taxes receivable for the year under review, and should correspond with the amount shown for item 2 in Schedule 12 (Form 20 on page 70).

Item 6 —Prior years' assets added to the current tax (or rate) roll, such as Arrears of Taxes or Seed Grain Loans. Amounts of this nature on the roll do not form part of either taxation revenue or taxes receivable. Hence, collections on that account should be kept separate from the current year's tax collections reported under item 6 in Schedule 12 (Form 20 on page 70).

Item 7 —The total of items 5 and 6 which represents the grand total of all amounts included in the yearly tax (or rate) roll.

ANALYSIS OF LONG-TERM DEBT CHARGES RECOVERABLE

For the Fiscal Year Ended 19
 (Day) (Month)

SCHEDULE 17

Long-Term Debt Classification	Recoverable from	Interest	Serial Debentures — Principal Instal- ments	Sinking Fund Debentures — Sinking Fund Require- ments	Other Long-Term Debt— Principal Repayment	Total Long-Term Debt Charges Recoverable
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Debentures Issued:						
.....		\$	\$	\$	\$	\$
.....	
.....	
Sub-total		\$	\$	\$	\$	\$
2. Debentures Assumed:						
.....	
.....	
.....	
Sub-total		\$	\$	\$	\$	\$
3. Other Long-Term Debt Incurred:						
.....	
.....	
.....	
Sub-Total		\$			\$	\$
4. Other Long-Term Debt Assumed:						
.....	
.....	
.....	
Sub-total		\$			\$	\$
5. Total Long-Term Debt Charges Recoverable.....						
		\$	\$	\$	\$	\$

Explanatory Notes: (Form 27)

This schedule shows detail and amounts of the long-term debt charges recoverable which are deducted from debenture debt charges in form 28 to arrive at the net long-term debt charges reported in item 9 of the Expenditures in the Statement of General Revenue and Expenditure, Exhibit 10 (Form 25 on page 87), and will be found self-explanatory for the most part, if considered in conjunction with the explanations on page 108.

Column (1)—The type of long-term debt, and how incurred, as classified in Schedule 18 (Form 28 on page 118).

Column (2)—Enter here under each classification of debt the source from which the debt charges are recoverable (name of municipality, special district authority, corporation, etc.).

Column (3)—The amount recoverable in respect of the long-term debt interest falling due in the year under review from each source.

Column (4)—The amount recoverable in respect of the total principal instalments on serial debentures falling due in the year under review.

Column (5)—The amount recoverable in respect of total sinking fund requirements for the year under review.

Column (6)—The amount recoverable in respect of total principal instalments on other long-term debt during the year under review.

Column (7)—The total amount recoverable in respect of the total long-term debt charges for the year under review, (the total of amounts shown in each of the sub-totals of items 1 to 4).

ANALYSIS OF GENERAL REVENUE FUND LONG-TERM DEBT CHARGES

For the Fiscal Year Ended 19
(Day) (Month)

SCHEDULE 18

Long-Term Debt Classification (1)	Interest (2)	Serial Debentures —Principal Instalments (3)	Sinking Fund Debentures— Sinking Fund Requirements (4)	Other Long- Term Debt— Principal Repayment (5)	Total Long-Term Debt Charges (6)
1. Debentures Issued (gross)	\$	\$	\$		\$
Less Recoverables
Net Charges
2. Debentures Assumed from Other Municipalities
Less Recoverables
Net Charges
3. Total Debenture Debt Charges (gross)
Less Total Recoverables
Total Debenture Debt Charges (net) \$	\$	\$	\$		\$
4. Other Long-Term Debt Incurred			\$
Less Recoverables
Net Charges
5. Other Long-Term Debt Assumed
Less Recoverables
Net Charges
6. Total Other Long-Term Debt Charges (gross)	\$			\$	\$
Less Total Recoverables
Total Other Long-Term Debt Charges (net)	\$			\$	\$
7. Total Long-Term Debt Charges (gross) \$	\$	\$	\$	\$	\$
Less Recoverables
Total Long-Term Debt Charges (net) \$	\$	\$	\$	\$	\$

Explanatory Notes: (Form 28)

This schedule shows the detail of the Long-Term Debt Charges shown, net of recoverables, in item 9, Debt Charges, of the Statement of General Revenue and Expenditure, Exhibit 10 (Form 25 on page 87) which total represents the net cost of carrying the debenture debt (item 1), Other Long-Term Debt (item 2) and Debt Due To Other Municipalities and Special Districts for Debentures and Other Long-Term Debt (item 3) reported in the General Capital and Loan Fund Balance Sheet, Exhibit 4 (Form 13 on page 35).

Columns 1 to 6 provide for general identification of the debt to which the debt charges apply, and the expenditure of the year for interest, serial instalments of principal, sinking fund requirements, long-term debt repayment and total for each item.

Item 1 provides for charges on debentures issued, and payable from general revenue.

From the gross payments are deducted any amounts of principal and interest recoverable, as detailed in Schedule 17 (Form 27 on page 116) to arrive at the *net* charges.

Item 2 reports charges on debentures assumed in the fashion of item 1.

Item 3 shows, gross and net, Total Debenture Debt Charges, and the net figures should agree with item 9-91-911 of expenditure of the Statement of General Revenue and Expenditure, Exhibit 10 (Form 25 on page 87).

Item 4 provides for charges on long-term debt incurred, and payable from general revenue. From the gross payments are deducted any amounts of principal and interest recoverable, as detailed in Schedule 17, to arrive at the net charges.

Item 5 reports charges on other long-term debt assumed in the fashion of item 4.

Item 6 shows, gross and net, Total Long-Term Debt Charges, and the net figures should agree with item 9-91-912 of expenditure of the Statement of General Revenue and Expenditure, Exhibit 10 (Form 25 on page 87).

Item 7 presents the gross and net figures for all long-term debt charges, the total at the bottom of column 6 equalling the extended sub-total of item 9-91 of expenditure of the Statement of General Revenue and Expenditure, Exhibit 10 (Form 25 on page 87).

SECTION C

SPECIAL ACTIVITIES

SPECIAL ACTIVITIES

Special Activities of a municipality are those functions of municipal government *other than Utilities* (see Section "D", page 157) which have been delegated by law or by action of council to a special committee, board or commission for supervision and operation, and for which separate accounting funds are maintained in order that their financial condition and operation may be examined separately from other funds of the municipality. Not all municipalities delegate all such functions, particularly if small and inactive. For such cases the financial transactions would appear in the General Section of the accounts. Otherwise, each special activity should have a complete set of fund accounts, with any inter-relationships with other funds clearly set out, as to both revenue and expenditure and assets and liabilities.

Special Activity Funds must be clearly distinguished from the municipality's Utilities Funds, which are described in Section "D", and from Special District Authorities, which are independent corporations which provide local government services in some areas, and with which the municipality may or may not have financial and other relationships. School authorities are regarded within the concepts of this Manual as a particular type of Special District Authority, separated from the remainder. This Manual does not provide accounting forms and classifications for Special District Authorities and School Authorities. See *note* below.

Special Activity Funds in common use are listed below. It is not intended that the list be complete, as there are others which occur infrequently. Any function of the municipality delegated as described in the first paragraph should be reported as a Special Activity if it is not in the list of utilities set out in Section "D", even though of an enterprise nature.

Common Special Activities of municipalities:

- Hospitals (see *note* below)
- Cemeteries
- Charitable Institutions
- Libraries
- Museums
- Tourist Camps
- Markets
- Weigh Scales
- Arenas
- Halls or Auditoria
- Exhibitions or Fairs
- Golf Courses

See Introduction for a full discussion on the various division of municipal and local government and on fund accounting.

NOTE: Manuals of Instructions on accounting have been published for school authorities by the Dominion Bureau of Statistics, and for hospitals by the Canadian Hospital Council.

FORM 29

**SPECIAL ACTIVITY
CAPITAL AND LOAN FUND BALANCE SHEET**

SPECIAL ACTIVITY CAPITAL AND LOAN FUND BALANCE SHEET

As at19....
(Day) (Month)

EXHIBIT 11

ASSETS

1. Fixed Assets:

11. Land	\$	
12. Buildings		
13. Engineering Structures	\$	
14. Equipment	\$	
Less: Accumulated Depreciation—5 (53) (Where applicable)		\$

2. Due from Other Funds: (Specify)

21.		
22.		
23.		

3. Other Assets: (Specify)

31.		
32.		
33.		

4. Deficit
------------------	--	-------

Total Assets		\$
--------------------	--	-------------------

LIABILITIES

1. Debenture Debt—Issued in the Name of the Municipality		\$
--	--	----------

2. Other Long-Term Debt
-------------------------------	--	-------

3. Due to Other Funds: (Specify)

31.	\$	
32.		
33.		

4. Other Liabilities: (Specify)

41.		
42.		
43.		

5. Reserves: (Specify)

51.		
52.		

6. Investment in Capital Assets
---------------------------------------	--	----------------

Total Liabilities		\$
-------------------------	--	-------------------

SPECIAL ACTIVITY CAPITAL AND LOAN FUND BALANCE SHEET

ASSETS

1. Fixed or permanent assets of the special activity, other than those held for sale (such as cemetery plots, which would appear as assets in the special activity revenue fund balance sheet). Fixed assets include land, buildings, and other site improvements, and should be recorded at cost (purchase price), or if cost is not known, at appraisal value at time of acquisition. They include also machinery and equipment, which should be inventoried at the end of each year, the valuation at time of inventory being entered in the balance sheet. **Fixed Assets**

For most special activities the fixed or permanent assets should be shown as above, without allowance for depreciation, as specified for general fixed assets on page 37. However, where appropriation for depreciation and the maintenance of an allowance for depreciation account is required (i.e. Hospital Accounting Manual), it should be applied as recommended, and the allowance should be shown deducted from the fixed assets with the net value extended. It should, in lieu of other instructions, be handled as in Section "D", Utility Funds.

2. Amounts due and owing by other funds of the municipality, including utilities and other special activities. *The names, and amount owing by each should be shown separately in this balance sheet;* and care should be taken that the liabilities of the other funds are in agreement with the amounts shown here. **Due from Other Funds**

3. Assets other than those shown in asset items 1 and 2 above, the exact nature of which should be clearly indicated, such as cash, investments, accounts receivable, and others. Show separately and identify amounts due from governments. **Other Assets**

4. The amount by which the liabilities, reserves and investment in fixed assets of the capital and loan fund exceed the assets. **Deficit**

LIABILITIES

1. The special activity's obligation in respect of debentures issued and sold, that is, the amount of *unmatured debenture debt* issued for the special activity's purposes. **Debenture Debt**

2. Liabilities of the special activity capital and loan fund which are not of a current nature, such as mortgages or other liabilities payable under long-term contract or agreement. Show separately amounts due to other governments. **Other Long-Term Debt**

3. Amounts due and owing to other funds of the municipality, including utilities and other special activities. *The names, and amount owing to each should be shown separately in this balance sheet;* and care should be taken that the assets of the other funds are in agreement with the amounts shown here. **Due to Other Funds**

4. Liabilities other than those shown in liability items 1 to 3, the exact nature of which should be clearly indicated, such as temporary loans, accounts payable and others. Show separately amounts due to other governments. **Other Liabilities**

5. The general principles to be observed in showing reserves are set out in item 16, liabilities, General Revenue Fund Balance Sheet on page 68. The exact nature or purpose of each reserve should be indicated. Reserve Funds established by the municipality for special activity purposes should appear in Section "F", page 213. **Reserves**

6. The amount by which the assets of the capital and loan fund exceed the liabilities and reserves, including contributions, grants and donations towards the acquisition of fixed assets. **Investment in Capital Assets**

FORM 30

**SPECIAL ACTIVITY CAPITAL AND LOAN FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

**SPECIAL ACTIVITY CAPITAL AND LOAN FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 12

	Debit	Credit	Balance
1. Balance of Investment in Capital Assets at Beginning of Year		\$	
2. Adjustments Affecting Operations of Previous Years: (Specify)	\$	
.....	
.....	
.....	
3. Balance after Above Adjustments			\$
4. Other Adjustments Affecting Investment In Capital Assets: (Specify) (See item 4, Exhibit 6)	
.....	
.....	
.....	
5. Balance of Investment in Capital Assets at End of Year			\$
6. Total of Debit and Credit Columns	\$	\$	

**SPECIAL ACTIVITY CAPITAL AND LOAN FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

The purpose of this statement is to show changes during the year in the investment in capital assets item, that is, the municipality's equity in the assets of a Special Activity Capital and Loan Fund. If no such ledger account is kept the information should be abstracted from other accounts of the special activity.

1. The balance at the beginning of the year, as indicated in the Special Activity Capital and Loan Fund Balance Sheet of the previous year.

2. Adjustments directly affecting operations of previous years are to be shown under this item, such as adjustments and corrections to asset and liability items set out in the balance sheet of the previous year. Only the net result of entries of a similar character should be shown.

3. Extend the balance of the account after giving effect to the adjustments shown under item 3.

4. Other adjustments affecting Investment in Capital Assets: such as the entry of assets acquired by gift; such as the writing down or writing off of assets; and also the reduction of activity funds debenture debt by repayment from special activity revenue or from sinking fund, which, because the asset remains in the records at cost, means an increase in the credit balance of investment in capital assets account.

5. The balance of the account should be extended opposite this item, and also be entered in the debit or credit column as required, so as to permit balancing the account. This balance should agree with item 6, Investment in Capital Assets, of the liability side of the Special Activity Capital and Loan Fund Balance Sheet, Exhibit 11 (Form 29, on page 127).

FORM 31

**SPECIAL ACTIVITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

**SPECIAL ACTIVITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 13

Source of Funds (Funds Provided)

1. Unexpended Funds (from previous year)*: (Specify)

11. \$
12. \$

2. Provided by Issuance and Sale of Debentures:

Issued in the name of the Municipality
Issued in the name of the Special Activity

3. Provided by Other Long-Term Borrowing from: (Specify)

31.
32.

4. Provided by Special Activity Revenue Fund for:

41. Acquisition of General Fixed Assets
42. Debenture Discount

5. Provided by Reserve Funds: (Specify)**6. Provided by Grants-in-Aid or Shared-Cost Contributions from: (Specify)**

61.
62.

7. Provided by Gifts: (Specify)**8. Other: (Specify)**

81.
82.
83.

9. Overexpenditure (to be provided): (Specify)

91.
92.

10. Total \$

* These unexpended funds are represented on the Special Activity Capital and Loan Fund Balance Sheet of the previous year by:

Cash \$
Investments
Accounts Receivable
\$

**SPECIAL ACTIVITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 13

Application of Funds (Expenditure)

1. Overexpenditure of Previous Years Provided: (Specify)

11. \$
12. \$

2. Expenditure for Special Activity Fixed Assets: (Specify)

21. Land
22. Buildings
23. Engineering Structures
24. Machinery and Equipment

3. Retirement of Debentures or Sinking Fund Contributions from Excess Capital Funds**4. Interest on Temporary Borrowings and Bank Charges****5. Other: (Specify)**

.....
.....
.....

6. Unexpended Funds*: (Specify)

61.
62.

7. Total \$

* These unexpended funds are represented in the Special Activity Capital and Loan Fund Balance Sheet, Exhibit 11, by:

Cash \$
Investments
Accounts Receivable
\$

**SPECIAL ACTIVITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

Source of Funds (Funds Provided)

- | | |
|--|---|
| <p>1. Funds accrued in previous years and available in the special activity capital and loan fund for expenditure on capital projects, such as unexpended balances of debenture issues, fixed assets sales and insurance recoveries, grants or gifts. These funds are not to be confused with cash-on-hand, though much of the amount may be held in cash; they may also take the form of investments, accounts receivable and amounts due from other funds and other authorities, and would be so recorded within the balance sheet asset items of the previous year. They should be summarized by footnote to this statement.</p> | <p>Unexpended
Funds</p> |
| <p>2. The par value of debentures issued and sold: that is, the gross amount added to the debenture debt of the special activity capital and loan fund. Par value should be recorded here, though the total amount available for capital expenditure may be more or less than this amount, depending on the premiums and/or discounts recorded in item 8 below on the source side and item 5 on the application side, unless these are absorbed by special activity revenue fund or general revenue fund, which treatment will depend upon legal requirements and accounting practice, and under which treatment premiums would not appear in this statement, while discounts, shown under item 5 on the application side, would be offset by item 4-42 below, on the source side.</p> | <p>Provided by
Issuance and
Sale of
Debentures</p> |
| <p>Specify whether debentures were issued in the name of the municipality (through general funds) or in the name of the special activity.</p> | |
| <p>3. Proceeds of long-term loans incurred to provide funds for capital expenditure. Specify lenders and amounts.</p> | <p>Provided
by Other
Long-Term
Borrowing</p> |
| <p>4. Amounts provided by special activity revenue fund for the acquisition of special activity fixed assets and for reimbursement of discount on the sale of debentures.</p> | <p>Provided
by Special
Activity
Revenue Fund</p> |
| <p>5. Amounts transferred from reserve funds for the acquisition of special activity fixed assets.</p> | <p>Provided by
Reserve
Funds</p> |
| <p>6. Assistance from other governments towards the cost of special activity fixed assets.</p> | <p>Provided
by Grants-
in-Aid or
Shared-Cost
Contributions</p> |
| <p>7. Assistance by way of gifts of cash from private firms, individuals, organizations, etc., towards the cost of special activity fixed assets. Gifts of physical assets should be recorded through investment in fixed assets account.</p> | <p>Provided
by Gifts</p> |
| <p>8. Sources of funds other than recorded in items 2 to 7 above, including proceeds of sales, insurance recoveries, and premiums on debentures. Such revenue should be itemized. See Exhibit 7 for examples.</p> | <p>Other</p> |
| <p>9. The amount by which expenditure during the year has exceeded the funds provided, and which must be made up by debenture issue, from special activity revenue account, or in some other way.</p> | <p>Over-
Expenditure
(To be
Provided)</p> |

**SPECIAL ACTIVITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

Application of Funds (Expenditure)

- | | |
|--|---|
| <p>1. The amount applied against overexpenditure of previous years for which sufficient funds had not been made available, and for which in the current year funds were obtained through debenture issue, special activity revenue account or in some other way.</p> | <p>Overex-
penditure
of Previous
Years
Provided</p> |
| <p>2. Expenditure made for the acquisition or construction of special activity fixed assets, including engineering and architectural fees. This item should include all such expenditure for special activity fixed assets, unless legal requirements direct otherwise, and any such expenditure made from any fund other than the special activity capital and loan fund should be recorded in this fund in items 4 or 5 on the source side as a contribution to capital and loan fund, and the expenditure should be shown under this item. Give detail by physical character. Expenditures should be shown gross, trade-ins appearing in Source item 8.</p> | <p>Expenditure
for Special
Activity
Fixed
Assets</p> |
| <p>3. Expenditure for retirement of debentures or contribution to sinking fund from unused debenture, sale or insurance proceeds, when these must or may be so applied.</p> | <p>Debt
Retirement</p> |
| <p>4. Bank and other interest on temporary borrowings for special activity capital and loan fund purposes; also exchange and other bank charges.</p> | <p>Interest and
Bank Charges</p> |
| <p>5. Application of funds other than recorded in items 2 to 4 above, including discounts on debentures. Such expenditure should be itemized. See Exhibit 7 for examples.</p> | <p>Other</p> |
| <p>6. Funds unexpended at the end of the year and available in special activity capital and loan fund for expenditure in future periods, such as unexpended balances of debenture issues, fixed assets sales and insurance recoveries, grants or gifts. These funds are not to be confused with cash-on-hand, though much of the amount may be held in cash; they may also take the form of investments, accounts receivable and amounts due from other funds and authorities, and would be so recorded within the balance sheet asset items. They should be summarized by footnote to this statement.</p> | <p>Unexpended
Funds</p> |

FORM 32

SPECIAL ACTIVITY
REVENUE FUND BALANCE SHEET

SPECIAL ACTIVITY REVENUE FUND BALANCE SHEET

As at 19....
(Day) (Month)

EXHIBIT 14

ASSETS

1. Cash	\$
2. Accounts Receivable	\$
Less: Allowance for Doubtful Accounts Receivable—6 (64) .....	.....
3. Properties Held for Sale .....	.....
4. Due from Other Funds: (Specify)	
41. ....	.....
42. ....	.....
43. ....	.....
5. Other Assets: (Specify)	
51. ....	.....
52. ....	.....
53. ....	.....
6. Deficit — Exhibit 15 .....	.....
Total Assets	\$

LIABILITIES

1. Bank Overdraft	\$
2. Temporary Loans .....	.....
3. Accounts Payable .....	.....
4. Due to Other Funds: (Specify)	
41.	\$
42. ....	.....
43. ....	.....
5. Other Liabilities: (Specify)	
51. ....	.....
52. ....	.....
53. ....	.....
6. Reserves:	
61. Reserves for Undetermined Future Losses on Assets .....	.....
62. Reserve for Contingencies .....	.....
63. Reserve for Future Expenditures .....	.....
7. Surplus — Exhibit 15 .....	.....
Total Liabilities	\$

**SPECIAL ACTIVITY REVENUE FUND
BALANCE SHEET**

ASSETS

- | | |
|--|---------------------------------|
| 1. The balance of cash on hand or deposit, including imprest or petty cash funds, advanced for special purposes, and special deposits. | Cash |
| 2. Amounts due and owing on <i>open account</i> by sundry persons, firms or corporations, and governmental bodies. Allowance for doubtful accounts should be shown as a deduction from the gross amount, with the net extended. | Accounts Receivable |
| 3. Properties held for sale (e.g. cemetery plots). | Properties Held for Sale |
| 4. Amounts due and owing by other funds of the municipality, including utilities and other special activities. <i>The names, and amount owing by each should be shown separately in this balance sheet;</i> and care should be taken that the liabilities of the other funds are in agreement with the amounts shown here. | Due from Other Funds |
| 5. Assets other than those shown in asset items 1 to 4 above, the exact nature of which should be clearly indicated, such as investments and inventories, and others! | Other Assets |
| 6. The amount by which the liabilities and reserves of the revenue fund exceed the assets. | Deficit |

LIABILITIES

- | | |
|---|---------------------------|
| 1. The amount by which the special activity bank accounts are overdrawn, including cash on hand, petty cash and deposits or advances as referred to in connection with item 1 of the assets. | Bank Overdrafts |
| 2. Amounts owing to banks or other sources as a result of <i>direct borrowing</i> by the special activity for purposes of temporary financing. <i>Do not include here borrowings or advances from the general revenue fund or other funds of the municipality, or loans obtained by the general revenue fund for and on behalf of the special activity;</i> such should be reported under item 4 below. | Temporary Loans |
| 3. Amounts due and owing on <i>open account</i> to sundry persons, firms or corporations, and governmental bodies. | Accounts Payable |
| 4. Amounts due and owing to other funds of the municipality, including utilities and other special activities. <i>The names, and amount owing to each should be shown separately in this balance sheet;</i> and care should be taken that the assets of the other funds are in agreement with the amounts shown here. | Due to Other Funds |
| 5. Liabilities other than those specifically provided for, the exact nature of which should be clearly indicated on the balance sheet. | Other Liabilities |
| Show separately amounts due to other governments. | |
| 6. The general principles to be observed in showing reserves are set out in item 16, liabilities, General Revenue Fund Balance Sheet on page 68. The exact nature or purpose of each reserve should be indicated. | Reserves |
| 7. The amount by which the assets of the revenue fund exceed the liabilities and reserves. | Surplus |

FORM 33

**SPECIAL ACTIVITY REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)**

**SPECIAL ACTIVITY REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 15

	Debit	Credit	Balance
1. Balance of Surplus (Deficit) at Beginning of Year	\$	\$	\$
2. Adjustments Affecting Operations of Previous Years:			
(Specify)	
.....	
.....	
.....	
3. Balance after Above Adjustments			\$
4. Other Transactions Affecting Surplus:			
(Specify)	
.....	
.....	
.....	
5. Surplus or Deficit for Year under Review — Brought Forward from Special Activity Revenue and Expenditure Statement, Exhibit 16	
6. Surplus or Deficit Transferred to General Revenue Fund During the Year Under Review — Carried Forward to General Revenue and Expenditure Statement, Exhibit 10	
7. Balance of Surplus or Deficit at End of Year — Carried Forward to Special Activity Revenue Fund Balance Sheet, Exhibit 14	\$
8. Total of Debit and Credit Columns	\$	\$	

**SPECIAL ACTIVITY REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)**

The purpose of this statement is to show the changes during the fiscal year in a special activity revenue fund surplus (or deficit); thus it actually represents an analysis, in condensed form, of the ledger account.

1. The balance of the account at the beginning of the year, the amount of which would be shown in *either* the debit or the credit column.

2. Adjustments directly affecting operations of previous years are to be shown under this item. Such may arise from underestimating or overestimating accounts receivable or payable in setting them up at the close of the year or from failure to provide for certain outstanding accounts or other unpaid commitments. Only the net result of entries of a similar character should be shown; thus if there were two adjustments relating to accounts receivable, one arising from underestimating the amount (a credit to the account) and the other arising from overestimating the amount (a debit to the account), only the net difference between the two should be shown. The same treatment should be accorded other adjusting entries or transactions relating to operations of previous years.

3. Extend the balance of the account after giving effect to the adjustments shown under item 2.

4. Transactions affecting surplus, other than adjustments relating to operations of previous years or transfers to current budget, which should be summarized according to character and only the net result of similar transactions shown in the statement. These may be widely varied in character, such as profits or losses on property held for sale, inventory write-offs or adjustments and other write-offs or adjustments relating to balance sheet accounts.

5. The Surplus (credit) or Deficit (debit) for the current fiscal year. The amount shown here should agree with either item 8 of the expenditure section or item 6 of the revenue section, respectively, as shown in Exhibit 16 (Form 34 on page 151).

6. The portion of the surplus or deficit for either the current or previous years which was transferred to General Revenue Fund during the current fiscal year. The amount shown here should agree with that included under items 7 or 8 of the revenues or 5, 6 and 8 of the expenditures, respectively, in Exhibit 10 (Form 25 on page 83).

7. The balance of the account at the close of the year should be extended opposite this item; and in addition entered in either the debit or credit column as the case may be, so as to bring the totals of each into agreement. This balance should agree with the amount shown under item 6 of the assets or item 7 of the liabilities, as the case may be, in the Special Activity Revenue Fund Balance Sheet, Exhibit 14 (Form 32 on page 143).

FORM 34

**SPECIAL ACTIVITY
STATEMENT OF REVENUE AND EXPENDITURE**

**SPECIAL ACTIVITY
STATEMENT OF REVENUE AND EXPENDITURE**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 16

REVENUE

1. Gross Earnings from Services Provided (Detailed as required) \$
2. Contributions (Specify)
3. Miscellaneous Revenue: (Specify)
31. \$
32.
33.
4. Provided by General Revenue Fund
5. Total Revenue \$
6. Deficit for Year — Carried Forward to Special Activity Statement of
Revenue Surplus (Deficit) — Exhibit 15
7. Total \$

**SPECIAL ACTIVITY
STATEMENT OF REVENUE AND EXPENDITURE**

For the Fiscal Year Ended 19
(Day) \ (Month)

EXHIBIT 16

EXPENDITURE

1. Administration and General	\$
2. Provision of Services .....	.....
3. Maintenance .....	.....
4. Debt Charges:	
41. Debenture Principal (Specify — Serial, Sinking Fund)	\$
42. Debenture Interest .....	.....
43. Other Long-Term Debt Charges .....	.....
44. Other Debt Charges .....	.....
5. Appropriations for Reserves and Provisions for Losses .....	.....
6. Other Expenditures: (Specify)	
61. ....	.....
62. ....	.....
63. ....	.....
7. Total Expenditure	\$
8. Surplus for Year — Carried Forward to Special Activity Statement of Revenue Surplus (Deficit) — Exhibit 15 .....	.....
9. Total	\$

SPECIAL ACTIVITY STATEMENT OF REVENUE AND EXPENDITURE

This statement, because of the wide variety of special activities, is *pro-forma* only, suggesting a minimum of items of classification, and is intended for guidance in the drafting of a revenue and expenditure statement appropriate to each special activity. Such a statement, as mentioned on page 123, has been recommended for hospitals.

The remarks at the beginning of the explanatory text to the Statement of General Revenue and Expenditure, on page 84, with reference to the content of items in the classification of expenditures, also have application here.

REVENUE

1. As Special Activity Funds record the provision of some kind of service, the major or one of the major sources of revenue is likely to be from charges for that service, such as entrance fees, room and board, rentals, etc. These should be shown at the gross amount, and detailed in a manner to give an informative picture of the activity's earnings. Gross
Earnings
From
Service
Provided

2. Contributions towards the operations of the special activity from the province and from others. The source and nature of contributions should be set out (e.g. provincial government — grant-in-aid). Contri-
butions

3. Revenue accruing to the special activity other than regular earnings shown in item 1, in Contributions or Provided by General Revenue Fund. Miscel-
laneous
Revenue

4. Revenue accruing to the special activity general fund through provision in the general budget for part of the operating expenses of the activity. However, if such assistance is by way of absorption of the deficit, this would be recorded in the special activity's surplus (deficit) account, and be reported in the Statement of that account, Exhibit 15 (Form 33, on page 148). The amount of assistance as reported in these statements should be in agreement with that shown in the appropriate expenditure item of the General Revenue Fund. Provided by
General
Revenue
Fund

5. The total revenue for the current fiscal year (items 1 to 4 inclusive).

6. The amount by which item 7 of the expenditures exceeds item 5 above. Deficit for
the Year

7. The total of items 5 and 6.

EXPENDITURE

- 1-3. In appropriate detail, the costs of providing the services mentioned in item 1 of the revenues. Some portion of the work involved may be performed by officials primarily engaged in general fund activities, and some of the materials and supplies may be provided by departments reported on in general fund, in which event an apportionment should be made, either on an actual or arbitrary basis, so as to charge special activity operations with a fair share of the expenditure. Administra-
tion, Operation
and Maintenance
Costs

4. The gross amount provided for interest, principal instalments and sinking fund requirements in respect of all debentures issued for the purposes of the special activity. Serial instalments should be shown separately from sinking fund requirements if both forms of debentures are outstanding. Repayment of long-term debt should also be shown separately, as should temporary and other debt charges. Debt
Charges

**Appropriation
for Reserves
and Provision
for Losses**

5. Amounts appropriated or provided from the year's revenues. The nature of any reserves or allowances should be stated here as well as in the balance sheet.

**Other Ex-
penditures**

6. Expenditures other than that set out in items 1 to 5 including contributions to the special activity capital and loan fund (or where required, to the general capital and loan fund).

7. The total expenditure for the current fiscal year (items 1 to 6 inclusive).

**Surplus
for Year**

8. The amount by which item 5 of the revenue exceeds item 7 above.

9. The total of items 7 and 8.

SECTION D

UTILITY FUNDS

WATER SUPPLY SYSTEM

ELECTRIC LIGHT AND POWER

GAS SUPPLY SYSTEM

TRANSPORTATION SYSTEM

TELEPHONE SYSTEM

CENTRAL HEATING

AIRPORT

HOUSING CORPORATION OR AUTHORITY

PARKING AUTHORITY

(See pages 185 and 251 for revenue and expenditure forms)

FORM 35

**UTILITY CAPITAL AND LOAN FUND
BALANCE SHEET**

UTILITY CAPITAL AND LOAN FUND
BALANCE SHEET

As at 19
(Day) (Month)

EXHIBIT 17

ASSETS

1. Utility Plant:

11. Lands	\$
12. Buildings and Improvements .....	.....
13. Plant and Equipment .....	.....
14. Transmission and Distribution System .....	.....
15. Other	\$
Less: Accumulated Depreciation	\$

2. Investment(s) and Special Funds:

21. Physical Property .....	.....
22. Depreciation Funds —	
221. Cash .....	.....
222. Investments: (Specify)	
2021. ....	.....
2022. ....	.....
2023. ....	.....
23. Sinking Funds for Sinking Fund Debentures Issued in the name of the Utility:	
231. Cash .....	.....
232. Investments and Other Assets: (Specify)	
2031. ....	.....
2032. ....	.....
2033. ....	.....
24. Other: (Specify)	
241. ....	.....
242. ....	.....
243. ....	.....

3. Due from Other Funds: (Specify)

31. Due from General Sinking Fund for Retirement of Debentures .....	.....
32. ....	.....

4. Other Capital Assets: (Specify)

41. ....	.....
42. ....	.....

5. Deficit — Exhibit 18

6. Total Assets \$

UTILITY CAPITAL AND LOAN FUND BALANCE SHEET

As at 19
(Day) (Month)

EXHIBIT 17

LIABILITIES

1. Debenture Debt:

11. Issued in the name of the Municipality \$
12. Issued in the name of the Utility \$

2. Other Long-Term Indebtedness: (Specify)

21. \$
22.

3. Due to Other Funds (Other than for Debentures):

31. \$
32.

4. Other Capital Liabilities: (Specify)

41. \$
42.

5. Reserves — Other than deducted from Assets: (Specify)

51. Actuarial Requirement for Sinking Fund Debenture issued in name of
Utility \$
52.
53.

6. Capital Surplus — Exhibit 18

7. Total Liabilities \$

Local Improvement Debentures — Included in Item 1 above:

Owner's Share \$
Municipality's Share
Total \$

UTILITY CAPITAL AND LOAN FUND BALANCE SHEET

ASSETS

1. Fixed or permanent assets used in the operation of the utility, which should be reported at cost according to the detail set out in the balance sheet. Do not include here plant not used in the operation of the utility or held for re-sale, which should be reported under item 2 (21) below. Accumulated depreciation should be deducted to arrive at net value, usually provided according to common commercial practice.	Utility Plant
2. Property investments of the utility and cash, securities and other investments held in respect of special funds. These should be classified according to the detail provided for in the balance sheet, as follows:	Investment(s) and Special Funds
Land, buildings and other utility plant held for resale or not used in the operation of the utility.	Physical Property
Assets which have been set aside in a special fund for the purpose of identification with accumulated depreciation. Cash and investments should be shown separately; also in respect of the latter, show separately investments in securities issued or guaranteed by (1) Dominion Government, (2) Provincial Governments (specify) and (3) Municipal or School Corporations.	Depreciation Funds
This item applies to the utility's <i>own</i> sinking fund in respect of debenture debt reported under item 1 (12) of the liabilities. The assets in any such funds should be reported separately in accordance with the above instructions relating to Depreciation Funds. Sinking funds held by the municipality in respect of utility debenture debt, an account for which is usually kept by the utility in order that its books may show the status of its capital obligations should not be included here, but under item 3 below.	Sinking Funds
In the event, however, of the utility providing for the retirement of sinking fund debentures within a shorter term of years than anticipated by the debenture borrowing by-law of the municipality, the excess of the sinking fund deposits over normal requirements, which would not be reflected in the accounts of the municipality, would be shown under this item.	
Investments and/or Special Funds other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet, including customers' deposits for construction.	Other
3. Amounts due and owing by other funds of the utility or by other funds of the municipality including other utilities. <i>The name and amount owing by each should be shown separately in the balance sheet</i> ; and care should be taken to see that the liabilities of the other funds, etc., are in agreement with the amounts shown here.	Due from Other Funds
Show separately amount due from general Sinking Fund for the retirement of debentures issued in the name of the municipality, which would be the amount at the credit of the utility under the appropriate sub-item of item 1 (13) of the liabilities of the Sinking Fund Balance Sheet, Exhibit 23 (Form 41 on page 195).	
4. Assets which are not of a current or liquid nature other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet. Unamortized property losses or other capital deferred charges should be <i>included here</i> , as well as amounts due and owing by the <i>Dominion or Provincial Government</i> , or by <i>other municipalities</i> , shown separately unless for material and supplies.	Other Capital Assets

Deficit

5. The amount by which the liabilities, reserves and capital surplus of the utility capital and loan fund exceed the assets.

LIABILITIES**Debenture
Debt**

1. The utility's obligation in respect of debentures issued and sold, that is, the amount of *unmatured debenture debt* for the utility's purposes. This should be divided as follows:

Debentures issued in the name of the municipality.

Debentures issued in the name of the utility.

NOTE: Detail to be shown in forms 2, 3, 8 and 9.

**Other
Long-Term
Indebtedness**

2. Liabilities other than for debentures, such as mortgages or purchase agreements in respect of the acquisition of utility plant.

**Due to
Other Funds**

3. Amounts due and owing to other funds of the utility or to other funds of the municipality including other utilities. *The name and amount owing to each should be shown separately in the balance sheet*; and care should be taken to see that the assets of the other funds, etc., are in agreement with the amounts shown here.

**Other
Capital
Liabilities**

4. Liabilities, which are not of a current or liquid nature, other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet. Amounts due and owing on *open account* for labour, material, supplies, etc., and contractors' progress estimates in connection with capital undertakings, should be *included here*, as well as amounts due and owing to the *Dominion or Provincial Government* or to *other municipalities*, shown separately unless for material and supplies; also temporary loans.

**Reserves:
For
Debentures
Matured****Actuarial
Requirement for
Sinking Fund
Debentures**

5. *The Reserve for Debentures Matured or Actuarial Requirement for Sinking Fund Debentures* are alternative accounts to the depreciation reserve and the use of same will depend on the procedure followed by the utility with respect to provision for depreciation. For instance, if the maturities of debenture principal in respect of serial debentures, or the *Actuarial Requirement for Sinking Fund Debentures*, are considered to be the equivalent of depreciation, these accounts would not be used, as the amounts which otherwise would be credited thereto would be credited to the accumulated depreciation account. But, if in addition to making provision for debt retirement, as just referred to, depreciation on a commercial basis is also provided for by the utility, either one or both of these accounts would be used, depending on the nature or type of the debentures outstanding; the first account would show the accumulated total of principal maturities in respect of serial debentures, and the second would show the equivalent thereto, that is, actuarial requirement for sinking fund debentures. On this latter basis these reserve accounts actually represent capital surplus in addition to the amount shown under item 6 below.

**Other
Reserves**

Reserves other than those specifically referred to should be kept separate and the exact nature or purpose of each clearly indicated in the balance sheet.

**Capital
Surplus**

6. The amount by which the assets of the utility capital and loan fund exceed the liabilities and reserves, including contributions, grants or other donations towards the acquisition of utility plant, as well as transfers out of earned surplus for capital construction work.

FORM 36

**UTILITY CAPITAL AND LOAN FUND
STATEMENT OF CAPITAL SURPLUS**

UTILITY CAPITAL AND LOAN FUND
STATEMENT OF CAPITAL SURPLUS

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 18

	Debit	Credit	Balance
1. Balance of Capital Surplus at Beginning of Year	\$	\$	
2. Adjustments Affecting Operations of Previous Years	
.....	
.....	
3. Balance after Above Adjustments			\$
4. Other Transactions Affecting Capital Surplus: (Specify)			
41. Assets Written Off	
42. Retirement of Debentures from Utility Revenue or from Sinking Funds	
43.	
44.	
5. Balance of Capital Surplus at end of Year — Carried For- ward to Utility Capital and Loan Fund Balance Sheet, Exhibit 17	\$
6. Total of Debit and Credit Columns	\$	\$	

**UTILITY CAPITAL AND LOAN FUND
STATEMENT OF CAPITAL SURPLUS**

The purpose of this Statement is to show changes during the year in the capital surplus of the utility, that is, in the municipality's equity in the assets shown in a Utility Capital and Loan Fund, after provision for accumulated depreciation.

1. The balance at the beginning of the year, as indicated in the Utility Capital and Loan Fund Balance Sheet of the previous year.

2. Adjustments directly affecting operations of previous years are to be shown under this item, such as adjustments and corrections to asset and liability items set out in the balance sheet of the previous year. Only the net result of entries of a similar character should be shown.

3. Extend the balance of the account after giving effect to the adjustments shown under item 2.

4. Adjustments affecting Capital Surplus, other than those to be shown in item 2, such as the transfers from utility revenue fund surplus, transfers to or from reserve accounts, the writing off or adjustment of assets, and the reduction of utility long-term debt by repayment from utility revenue or from sinking fund beyond depreciation provided on plant, or depreciation provided in excess of debt retirement.

5. The balance of the account should be extended opposite this item, and also be entered in the debit or credit column as required, so as to permit balancing the account. This balance should agree with item 6, Capital Surplus, on the liability side of the Utility Capital and Loan Fund Balance Sheet, Exhibit 17 (Form 35, on page 161).

FORM 37

**UTILITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

UTILITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 19

Source of Funds (Funds Provided)

1. Unexpended Funds (from previous years)*: (Specify)

11. \$

12.

13. \$

2. Provided by Issuance and Sale of Debentures: (Par Value)

Issued and sold in name of Municipalities

Issued and sold in name of Utility

3. Provided by Other Long-Term Borrowing from: (Specify)

.....

.....

4. Provided by Commuted Local Improvement Levies

5. Provided by Utility Revenue Fund for:

51. Acquisition of Utility Plant

52. Debenture Discount

6. Premium on Debentures

7. Other: (Specify)

71.

72.

73.

8. Overexpenditure (to be provided): (Specify)

81.

82.

83.

9. Total \$

* These unexpended funds are represented on the Utility Capital and Loan Fund Balance Sheet of the previous year by:

Cash \$

Investments

Accounts Receivable

\$

UTILITY CAPITAL AND LOAN FUND STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Fiscal Year Ended 19 ...
(Day) (Month)

EXHIBIT 19

Application of Funds (Expenditure)

1. Overexpenditure of Previous Years Provided: (Specify)

11. \$

12.

13. \$

2. Expenditure for Acquisition of Utility Plant: (Specify)

21. Land .....	.....
22. Buildings .....	.....
23. Engineering Structures .....	.....
24. Machinery and Equipment .....	.....

3. Retirement of Debentures or Sinking Fund Contributions from Excess Capital Funds

4. Interest on Temporary Borrowings and Bank Charges

5. Discount on Sale of Debentures — If not Provided by Utility or General Revenue Fund

6. Other: (Specify)

[illegible]

7. Unexpended Funds*: (Specify)

71.

72.

73.

8. Total \$

* These unexpended funds are represented in the Utility Capital and Loan Fund Balance Sheet (Exhibit 17) by:

Cash	\$
Investments .....	.....
Accounts Receivable .....	.....
	\$

**UTILITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

Source of Funds (Funds Provided)

1. Funds accrued in previous years and available in the utility capital and loan fund for expenditure on capital projects, such as unexpended balances of debenture issues, fixed asset sales and insurance recoveries or grants. These funds are not to be confused with cash-on-hand, though much of the amount may be held in cash; they may also take the form of investments, accounts receivable and amounts due from other funds and other authorities, and would be so recorded within the balance sheet asset items of the previous year. They should be summarized by footnote to this statement.

**Unexpended
Funds**

2. The par value of debentures issued and sold: that is, the gross amount added to the debenture debt of the utility capital and loan fund. Par value should be recorded here, though the total amount available for capital expenditure may be more or less than this amount, depending on the premiums and/or discounts recorded in item 6 below on the source side and item 5 on the application side, unless these are absorbed by utility revenue fund or general revenue which treatment will depend upon legal requirements and accounting practice, and under which treatment premiums would not appear in this statement, while discounts, shown under item 5 on the application side, would be offset by item 5-52 below, on the source side.

**Provided
by
Issuance and
Sale of
Debentures**

Specify whether debentures were issued in the name of the municipality (through general funds) or in the name of the utility, and if both types were issued, show separately.

3. Proceeds of long-term loans incurred to provide funds for capital expenditure. Specify lenders and amounts.

**Provided
by Other
Long-Term
Borrowing**

4. Proceeds of such commutation before the issuance of debentures, which enables the money to be used for the acquisition of assets. Subsequent commutation would be held in trust for application on debt charges.

**Provided by
Commuted Local
Improvement
Levies**

5. Amounts provided by utility revenue fund for the acquisition of utility plant and for reimbursement of discount on the sale of debentures.

**Provided
by Utility
Revenue Fund**

6. Proceeds of debentures over and above face value where such accrues to capital rather than to revenue fund and which may be used to acquire utility plant or reduce debenture debt.

**Premium on
Debentures**

7. Sources of funds other than recorded in items 2 to 6 above, including proceeds of sales and insurance recoveries. Such revenues should be itemized. See Exhibit 7 for examples.

**Other
(Specify)**

8. The amount by which expenditure during the year has exceeded the funds provided, and which must be made up by debenture issue, from utility revenue account, or in some other way.

**Overex-
penditure
(To be
Provided)**

**UTILITY CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

Application of Funds (Expenditure)

- | | |
|--|--|
| <p>1. The amount applied against overexpenditure of previous years for which sufficient funds had not been made available, and for which in the current year funds were obtained through debenture issue, utility revenue account, or in some other way.</p> | <p>Overex-
penditure
of Previous
Years
Provided</p> |
| <p>2. Expenditure made for the acquisition or construction of utility plant, including engineering and architectural fees. This item should include all such expenditure for utility plant, unless legal requirements direct otherwise, and any such expenditure made from any fund other than the utility capital and loan fund should be recorded in this fund in items 5 or 7 on the source side as a contribution to capital and loan fund, and the expenditure should be shown under this item. Give detail by physical character.</p> | <p>Expenditure
for the
Acquisition
of Utility
Plant</p> |
| <p>3. Expenditure for retirement of debentures or contributions to sinking fund from unused debenture, sale or insurance proceeds, when these must or may be so applied.</p> | <p>Debt
Retirement</p> |
| <p>4. Bank and other interest on temporary borrowings for utility capital and loan fund purposes; also exchange and other bank charges.</p> | <p>Interest
and Bank
Charges</p> |
| <p>5. When chargeable to utility capital and loan fund, and not amortized through utility revenue account or general revenue account.</p> | <p>Discount
on Sale of
Debentures</p> |
| <p>6. Application of funds other than recorded in items 2 to 5 above. Such expenditures should be itemized. See Exhibit 7 for examples.</p> | <p>Other
(Specify)</p> |
| <p>7. Funds unexpended at the end of the year and available in utility capital and loan fund for expenditure in future periods, such as unexpended balances of debenture issues, fixed asset sales and insurance recoveries and grants. These funds are not to be confused with cash-on-hand, though much of the amount may be held in cash; they may also take the form of investments, accounts receivable and amounts due from other funds and authorities, and would be so recorded within the balance sheet asset items. They should be summarized by footnote to this statement.</p> | <p>Unexpended
Funds</p> |

FORM 38

**UTILITY REVENUE FUND
BALANCE SHEET**

UTILITY REVENUE FUND
BALANCE SHEET

As at 19
(Day) (Month)

EXHIBIT 20

ASSETS

1. Cash	\$
2. Investments (Temporary) .....	.....
3. Accounts Receivable	\$
Less: Allowance for Doubtful Accounts Receivable.....	.....
4. Due from Other Funds: (Specify)	
41. ....	.....
42. ....	.....
43. ....	.....
5. Inventories .....	.....
6. Accrued Items: (Specify)	
61. ....	.....
62. ....	.....
7. Deferred and Prepaid Charges .....	.....
8. Other Current Assets: (Specify)	
81. ....	.....
82. ....	.....
83. ....	.....
9. Deficit .....	.....
10. Total Assets	\$

UTILITY REVENUE FUND BALANCE SHEET

As at 19
(Day) (Month)

EXHIBIT 20

LIABILITIES

1. Bank Overdrafts	\$
2. Temporary Loans .....	.....
3. Accounts Payable .....	.....
4. Debentures and Coupons Due:	
41. Principal	\$
42. Interest .....	.....
5. Due to Other Funds: (Specify)	
51. ....	.....
52. ....	.....
53. ....	.....
6. Accrued Items: (Specify)	
61. ....	.....
62. ....	.....
7. Customers' Deposits .....	.....
8. Other Current Liabilities: (Specify)	
81. ....	.....
82. ....	.....
83. ....	.....
9. Reserves:	
91. Reserve for Rate Stabilization .....	.....
92. ....	.....
10. Earned Surplus .....	.....
11. Total Liabilities	\$ <u>.....</u>

UTILITY REVENUE FUND BALANCE SHEET

ASSETS

1. The balance of cash on hand or deposit including petty cash, and deposits with or advances to employees or agents of the utility for special purposes, as well as special deposits in respect of current liabilities such as for Customers' Deposits. **Cash**

2. Bonds, debentures, stock or other securities purchased or acquired for the purpose of temporarily investing cash, pending the need of the funds for the purposes for which originally intended. **Investments**

3. Amounts due and owing *on open account* by sundry persons, firms or corporations, and governmental bodies, including rates or charges to customers for utility services. The gross amount should be shown, with the allowance for doubtful accounts deducted, so as to arrive at the net value of the asset. **Accounts Receivable**

4. Amounts due and owing by other funds of the utility or by other funds of the municipality, including other utilities. *The name and amount owing by each should be shown separately in the balance sheet*; and care should be taken to see that the liabilities of the other funds are in agreement with the amounts shown here. **Due from Other Funds**

5. The inventory value of consumable goods or supplies on hand. **Inventories**

6. Revenues earned but not yet due, such as unbilled rates to customers for utility services or accrued interest on investments. The exact nature of any such accrued items should be clearly indicated in the balance sheet. **Accrued Items**

7. Unusual or extraordinary expenses of the utility which are in process of amortization, as well as prepaid taxes, rent, insurance and other similar items. **Deferred and Prepaid Charges**

8. Assets of a current or liquid nature other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet. Amounts due and owing by the *Dominion or Provincial Government*, or by *other municipalities*, other than accounts for utility services should be included here, separately identified. **Other Current Assets**

- Unamortized discount, if carried in the accounts, should be shown here as a deferred charge.

9. The amount by which the liabilities, reserves and earned surplus of the utility revenue fund exceed the assets. **Deficit**

LIABILITIES

1. The amount by which the utility revenue fund bank accounts are overdrawn, including cash on hand, petty cash, and deposits or advances as referred to in connection with item 1 of the assets. **Bank Overdrafts**

2. Amounts owing to banks or other sources as a result of *direct* borrowings by the utility for the purpose of temporary financing pending the collection of rates or charges to customers for utility services, or other miscellaneous reve- **Temporary Loans**

nues and accounts receivable. *Do not include here borrowings from or through the general revenue fund or other utilities; these should be shown under item 5 below.*

**Accounts
Payable**

3. Amounts due and owing on *open account* to sundry persons, firms or corporations or other governmental bodies. Include accounts covering expenditures during the current or previous fiscal periods which had not been paid at the close of the current fiscal period.

**Debentures
and Coupons
Due**

4. The amount of debenture principal and/or interest coupons in respect of debentures issued *directly* by the utility itself, which were past due but unpaid at the close of the fiscal period. Do not include amounts owing to the general revenue fund for past due debenture and interest payments; these should be shown under item 5 below. Also do not include accrued interest on debenture or other debt, which should be shown under item 6 below.

**Due to
Other
Funds**

5. Amounts due and owing to other funds of the utility or to other funds of the municipality, including other utilities. *The name and amount owing to each should be shown separately in the balance sheet; and care should be taken to see that the assets of the other funds are in agreement with the amounts shown here.*

**Accrued
Items**

6. Amounts representing expenditures of the current fiscal period which are not due and payable in the fiscal period, such as accrued taxes and accrued interest on temporary loans or other indebtedness. Also, include here accrued interest on debentures, if such a practice is followed. The exact nature of each item should be clearly indicated in the balance sheet.

**Customers'
Deposits**

7. Amounts deposited by customers as security for payment of their bills.

**Other
Current
Liabilities**

8. Liabilities of a current or liquid nature, other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet. Suspense items awaiting disposition and prepaid or deferred revenues should be *included here* as well as amounts due to the *Dominion or Provincial Government* or to *other municipalities* separately identified, other than *open accounts* for services and supplies.

Unamortized premium, if carried in the accounts, should be shown here as a deferred revenue.

Reserves

9. The general principles to be observed in showing reserves are set out in item 16, liabilities, General Revenue Fund Balance Sheet on page 68. The exact nature or purpose of each reserve should be indicated.

**Earned
Surplus**

10. The amount by which the assets of the utility revenue fund exceed the liabilities and reserves, being the balance of unappropriated surpluses arising from earnings or operations.

FORM 39

**UTILITY REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)**

UTILITY REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 21

	Debit	Credit	Balance
1. Balance of Surplus (or Deficit) at Beginning of Year	\$	\$	
2. Adjustments Affecting Operations of Previous Years: (Specify)			
.....	
.....	
.....	
.....	
.....	
3. Balance after Above Adjustments			\$
4. Other Transactions Affecting Surplus: (Specify)			
.....	
.....	
.....	
.....	
.....	
5. Surplus or Deficit for Year under Review — Brought Forward from Utility Revenue and Expenditure Statement, Exhibit 22 (A)	
6. Surplus or Deficit Transferred to General Revenue Fund During Year under Review— Carried Forward to General Revenue and Expenditure Statement, Exhibit 10	
7. Balance of Surplus or Deficit at End of Year — Carried Forward to Utility Revenue Fund Balance Sheet, Exhibit 20	\$
8. Totals of Debit and Credit Columns	\$	\$	

**UTILITY REVENUE FUND
STATEMENT OF SURPLUS (DEFICIT)**

The purpose of this Statement is to show the changes during the fiscal year in utility revenue fund surplus (or deficit); thus it actually represents an analysis, in condensed form, of the ledger account.

1. The balance of the account at the beginning of the year, the amount of which would be shown in *either* the debit or the credit column.

2. Adjustments directly affecting operations of previous years are to be shown under this item. Such may arise from underestimating or overestimating accounts receivable or payable in setting them up at the close of the year or from failure to provide for certain outstanding accounts or other unpaid commitments. Only the net result of entries of a similar character should be shown; thus if there were two adjustments relating to accounts receivable, one arising from underestimating the amount (a credit to the account) and the other arising from overestimating the amount (a debit to the account), only the net difference between the two should be shown. The same treatment should be accorded other adjusting entries or transactions relating to operations of previous years.

3. Extend the balance of the account after giving effect to the adjustments shown under item 2.

4. Transactions affecting surplus, other than adjustments relating to operations of previous years or transfers to revenue fund, which should be summarized according to character and only the net result of similar transactions shown in the statement. These may be widely varied in character, such as transfers to or from reserve accounts, inventory write-offs or adjustments and other write-offs or adjustments relating to balance sheet accounts. Also, include transfers or contributions to capital surplus if such is kept separate.

5. The surplus or deficit from operations for the current fiscal year as shown by the Revenue and Expenditure Statement, Exhibit 22 (A) (Form 40 on page 185).

6. The portion of the surplus or deficit for either the current or previous years which was transferred to General Revenue Fund during the current fiscal year. The amount shown here should agree with that included under items 8-82 of the revenues or 10 of the expenditures respectively, in Exhibit 10 (Form 25 on page 83).

7. The balance of the account at the close of the year should be extended opposite this item and in addition entered in either the debit or credit column, as the case may be, so as to bring the totals of each into agreement. This balance should agree with the amount shown under item 9 of the assets or item 10 of the liabilities, as the case may be, in the Utility Revenue Fund Balance Sheet, Exhibit 20 (Form 38 on page 175).

FORM 40

**WATER SUPPLY SYSTEM
STATEMENT OF REVENUE AND EXPENDITURE**

WATER SUPPLY SYSTEM*
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (A)

REVENUE

1. Sale of Water:

11. Residential—

111. Metered Sales \$

112. Flat Rate Sales

Sub-Total \$

12. Commercial—

121. Metered Sales \$

122. Flat Rate Sales

Sub-Total

13. Industrial—

131. Metered Sales \$

132. Flat Rate Sales

Sub-Total

14. Public Authorities (Other than Own Municipality)—

141. Metered Sales \$

142. Flat Rate Sales

Sub-Total

15. Own Municipality—

151. Metered Sales \$

152. Flat Rate Sales

Sub-Total

16. Other: (Specify)

161. Irrigation Companies

162. Private Fire Protection

163. Hydrant Rentals or Public Fire Protection

164. Sales to Other Water Utilities

165.

Sub-Total \$

2. Miscellaneous Revenue: (Specify)

21. Customers' Forfeited Discounts and Penalties \$

22. Servicing of Customers' Installations

23.

24.

Sub-Total

3. Provided by General Revenue Fund:

31. General or Special Area Rates \$

32. Local Improvement Charges—Owners' Share

Sub-Total

4. Total Revenue

\$

5. Deficit for Year (Excess of Expenditure over Revenue)—Carried forward to Surplus (Deficit) Account, Exhibit 21

.....

6. Grand Total Revenue Section

\$

* Separate statements of Revenue and Expenditure should be prepared for each utility. Forms for other types of utilities are shown (Forms 52 to 59 on pages 252 to 267).

WATER SUPPLY SYSTEM*
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (A)

EXPENDITURE

1. Administration and General	\$
2. Customers' Billing and Collecting .....	.....
3. Water Purchased .....	.....
4. Source of Supply:	
41. Maintenance	\$
42. Operation .....	.....
	Sub-Total
5. Power and Pumping:	
51. Maintenance	\$
52. Operation .....	.....
	Sub-Total
6. Purification and Treatment:	
61. Maintenance	\$
62. Operation .....	.....
	Sub-Total
7. Transmission and Distribution:	
71. Maintenance	\$
72. Operation .....	.....
	Sub-Total
8. Other—Exclusive of Depreciation and Debt Charges: (Specify)	
81. Contributions to Capital and Loan Fund	\$
82. ....	.....
83. ....	.....
	Sub-Total
9. Provision for Losses on Accounts Receivable .....	.....
10. Provision for Depreciation .....	.....
11. Debt Charges:	
111. Debenture Principal (Specify—Serial, Sinking Fund)	\$
112. Debenture Interest .....	.....
113. Other Long-Term Debt Charges (Specify—Principal, Interest) .....	.....
114. Other Debt Charges .....	.....
	Sub-Total
12. Total Expenditure	\$
13. Surplus for Year (Excess of Revenue over Expenditure)—Carried forward to Surplus (Deficit) Account, Exhibit 21 .....	.....
14. Grand Total Expenditure Section	\$

**UTILITY REVENUE FUND
STATEMENT OF REVENUE AND EXPENDITURE**

Revenue and expenditure of utilities should be excluded from the general revenue and expenditure statement (Exhibit 10 on page 83), and a separate operating statement prepared for each, regardless of the method of financing operations or the method employed in the management and control of the utility. In other words, this procedure should be followed whether or not the operations are financed wholly or in part by the rates or charges to customers or through taxation by the municipality; and whether or not the utility is managed by a separate Board or Commission or under the direct control and management of the Municipal Council. Operations as referred to above include provision for debt retirement and interest on all debentures issued for utility purposes, as well as provision for depreciation and other fixed charges. Taxation as referred to above may be imposed in the form of a general rate applicable to the whole municipality, a special rate applicable to specific areas or sections of the municipality, or by means of frontage rates such as in the case of local improvement charges for watermains.

The explanations which follow apply particularly to a Water Supply System Revenue and Expenditure Statement which is used as a illustrative example, but the general procedure will be the same for all other utilities for which draft statements are provided (Forms 52 to 59 on pages 252 to 267). These statements should not be confused as representing cash receipts and payments (or disbursements). Revenue should include the total rates or charges to customers and other miscellaneous revenues for or applicable to the fiscal year, whether or not actually received in cash; and expenditures should include the total costs of maintenance and operation, as well as other charges for or applicable to the fiscal year, whether or not actually paid for in cash.

REVENUE

1. The total rates or charges to customers for water service for the fiscal year which should be classified according to the detail set out in the revenue and expenditure statement, and which for the most part will be found self-explanatory. It is pointed out, however, that sub-item 14, *Public Authorities (Other than Own Municipality)*, is to include income from water service to federal and provincial government agencies and to agencies of other municipal governments; and sub-item 15, *Own Municipality*, is to include only the revenue derived from the supply of water service to departments or branches of the local municipal organization, including schools and other utilities, etc.

Sale of
Water

The foregoing does not apply to hydrant rentals or charges to the municipality for public fire protection, or to revenue derived from the sale of water to other municipalities on a wholesale basis which in turn redistribute the water to local customers, both of which should be shown separately under sub-item 16.

2. Revenue from miscellaneous sources, such as customers' forfeited discounts and penalties, servicing of customers' installations, and other miscellaneous items, such as for changing, connecting and disconnecting, and restoring services, and profits on the sale of materials and supplies.

Miscellaneous
Revenue

3. Revenue from this source is complementary to and should be in agreement with the amount shown as an expenditure by the municipality under item 10 of Exhibit 10 on page 88. Such revenue arises from the fact that the municipality may provide out of general rates for all or part of the annual debt charges on debentures issued for utility purposes, or in some instances for a portion of the maintenance and operating expenses of the utility; and in some cases where the water service is provided only to customers residing within a specific or limited area of the municipality, the aforementioned amounts may be provided out of a special area rate. Irrespective of which situation applies, any such amounts

Provided by
Municipality
from Tax
Levy

included in the yearly tax levy should be included as revenue of the water utility. In addition the owners' share of any local improvement charges in respect of debentures issued for water mains or other water utility purposes should be included, inasmuch as the expenditures are to include the total debt charges on all debentures issued for water utility purposes.

4. The total revenue for the current fiscal year (items 1 to 3, inclusive).

Deficit
for Year

5. The amount by which item 12 of the expenditures exceeds item 4 above.

6. The total of items 4 and 5.

EXPENDITURE

Maintenance
and Operating
Costs

1-8. The classification of items 1 to 7 provides for the distribution of maintenance and operating costs that is generally followed by both public and commercial utilities. It may be that some portion of the work or service involved in this regard may be performed by one or more of the municipal officials or departments along with their other duties, in which event an apportionment should be made, either on an actual or arbitrary basis, so as to charge the utility operations with a fair share of the expenditures.

Item 8 is for maintenance or operating expenses other than those included above, such as salaries and other expenses in connection with sales promotion. Also include in this item amounts paid or payable to the municipality in lieu of taxes for the current fiscal year; expenditures in this regard arise from the fact that in some provinces the property of utilities is exempt from taxation and voluntary contributions are made by the utility to the general revenues of the municipality.

In some instances it is permissible to provide for certain plant additions and other capital expenditures out of current year's revenue. Where this practice is followed, the amount of such capital expenditures during the current year should be included in the expenditure statement and shown separate under item 8, as a Contribution to the Utility Capital and Loan Fund, or in British Columbia to the General Capital and Loan Fund.

Provision for
Losses on
Accounts
Receivable

9. Charges against revenue of the year to provide an allowance for uncollectible accounts.

Depreciation

10. Amounts provided as depreciation on utility plant and equipment and other fixed assets, *in addition to* provision for retirement of debentures issued for utility purposes, the latter of which is to be included in item 11 below.

Debt
Charges

11. The gross amounts provided for interest, principal instalments and sinking fund requirements in respect of all debentures issued for utility purposes, each of which amounts should be shown separately. Repayment of long-term debt should also be shown separately, as should temporary and other debt charges.

12. The total expenditures for the current fiscal year (items 1 to 11 inclusive).

Surplus
for Year

13. The amount by which item 4 of the revenue exceeds item 12 above.

14. The total of items 12 and 13.

SECTION E

SINKING FUND

FORM 41

SINKING FUND BALANCE SHEET

SINKING FUND BALANCE SHEET

EXHIBIT 23

As at 19
(Day) (Month)

ASSETS

1. Cash	\$
2. Investments (Issued or Guaranteed by):	
21. Dominion Government	\$
22. Provincial Governments—	
221. British Columbia	\$
222. Alberta .....	.....
223. Saskatchewan .....	.....
224. Manitoba .....	.....
225. Ontario .....	.....
226. Quebec .....	.....
227. New Brunswick .....	.....
228. Nova Scotia .....	.....
229. Prince Edward Island .....	.....
230. Newfoundland .....	.....
	Sub-Total
23. Municipal Governments (Excl. Own) .....	.....
24. Own Municipality .....	.....
25. School Corporations .....	.....
26. Others: (Specify)	
261.	\$
262. ....	.....
	Sub-Total
	Sub-Total
3. Due from Other Funds: (Specify)	
31.	\$
32. ....	.....
	Sub-Total
4. Accrued Interest .....	.....
5. Interest Due and Unpaid .....	.....
6. Investments Matured and Unpaid .....	.....
7. Other Assets: (Specify)	
71.	\$
72. ....	.....
	Sub-Total
8. Deficit .....	.....
Total Assets	\$

EXHIBIT 23

SINKING FUND BALANCE SHEET

ASSETS

1. The balance of cash on hand or deposit in the sinking fund which has not been invested. **Cash**

2. Bonds, debentures, stock or other securities in which monies deposited in the sinking fund have been invested; these should be classified according to the detail shown in the balance sheet. Securities guaranteed as to principal are to be classified as investments of the *guarantor* and not as investments of the issuing authority; i.e., bonds issued by a Provincial Government, the principal of which has been guaranteed by the Dominion Government, would be included as Dominion Government investments; or debentures issued by a municipality, the principal of which has been guaranteed by the Provincial Government would be included as a Provincial Government investment; and similarly with respect to securities guaranteed by either your own or other municipalities. **Investments**

Also, it should be noted that investments in debentures of your own municipality, which have been guaranteed by another municipality, would be included under item 23; and investments in debentures of other municipalities guaranteed by your own municipality would be included under item 24.

Investments issued or guaranteed by School Corporations (item 25) refer to bonds, debentures, stock or other securities of school authorities which have the right to incur debt in their own name independently of the municipal corporation in which they may be situated, such as debentures of school corporations in Quebec, Manitoba, and some of the other provinces, or of Separate Schools in Ontario. Thus, these should not be confused with debentures issued by municipal corporations for or on behalf of their local school authorities.

Investments in securities issued or guaranteed by other than government or school corporations (item 26) would include those of companies subsidized by the Dominion of Canada, as well as securities of Loan or Trust Companies, and other such authorized investments.

Investments should be shown at book value, which should be on a cost basis, with due effect given to the amortization of premiums or discounts, as the case may be.

Matured or past due securities are not to be included here but reported under item 6.

3. Amounts due from revenue or other funds of the municipality, which would consist principally of amounts due from revenue fund on account of periodic sinking fund deposit requirements, but would also include amounts due on account of temporary advances to other funds out of deposits in the sinking fund. **Due from Other Funds**

The name and amount owing by each other fund should be shown separately in the balance sheet; and care should be taken to see that the corresponding liabilities of the other funds are in agreement with the amounts included here.

4. Interest earned during the fiscal period which is not due or payable until a date in the next succeeding fiscal period. In other words, this item represents the amount of interest accrued on investments unmatured for the period from the last interest due date to the close of the fiscal period. **Accrued Interest**

Interest due and unpaid on investments unmatured is not to be included here. It should be reported under item 5.

Interest Due and Unpaid	5. Interest on investments unmatured or matured which was due but unpaid at the close of the fiscal period.
Investments Matured and Unpaid	6. Investments due and payable (matured) in either the current or previous fiscal periods but which were not redeemed by the issuing authority as at the close of the current fiscal period. This may arise from non-presentation of securities for payment, the fact that the maturity date is too close to the end of the fiscal period to permit payment therein, or it may be due to default in payment of the securities by the issuing authority.
Other Assets	7. Assets of the sinking fund other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet. Cash deposited with the province on sinking fund account or with a trust company (trust deposits) or with other depositaries should be included here and <i>not</i> under item 1.
Deficit	8. The amount by which the “reserve for retirement of debentures” and other liabilities, including investment reserve(s), exceed the assets of the sinking fund.

LIABILITIES

Reserve for Retirement of Debentures	1. The amount of cash and other resources that <i>should be on hand</i> in the sinking fund as at the close of the fiscal period; in other words it is what is commonly known as the <i>actuarial requirements</i> of the fund in respect of sinking fund debentures outstanding. The total reserve should be carefully subdivided according to the different purposes for which the debentures were issued as shown by the classification set out in the balance sheet. This item actually represents the liability of the sinking fund to <i>capital and loan funds</i> for retirement of debentures issued on the sinking fund plan, and the entry for each such fund should be equal to the item of the assets in each of such Capital and Loan Funds Balance Sheets, which indicates the amount due from Sinking Fund for Retirement of Debentures. Do not include here sinking fund reserves for debentures issued but unsold. (See item 4 below.)
Accounts Payable	2. Amounts due and owing which are payable out of cash or other resources of the sinking fund, but <i>not</i> including any amounts owing to other funds of the municipality.
Due to Other Funds	3. Amounts due to other funds of the municipality which would arise principally as a result of ordered withdrawals for revenue purposes not being paid over at the close of the fiscal period; temporary borrowings for the payment of matured sinking fund debentures pending the liquidation of securities held as investments on that account in the sinking fund; or as a result of the overpayment of revenue fund deposits into the sinking fund. <i>The name and amount owing to each other fund should be shown separately in the balance sheet; and care should be taken to see that the corresponding assets of the other funds are in agreement with the amounts included here.</i>
Other Liabilities	4. Liabilities of the sinking fund other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet. Include here sinking funds for debentures issued but unsold.

5. Amounts set aside out of surplus earnings of the sinking fund as a reserve against possible losses which may arise from the redemption or liquidation of investments or other assets of the sinking fund for an amount less than the book value. **Investment Reserve(s)**

6. The amount by which the assets exceed the "reserve for retirement of debentures" and other liabilities, including investment reserve(s), of the sinking fund. **Surplus**

Explanatory Note:

The Sinking Funds (Assets and Liabilities) herein referred to are to include only those relating to debentures issued by the municipal corporation itself. Sinking funds of school corporations or other bodies that issued their own debentures must not be included, even though the funds are held or administered by the municipal corporation. When this latter situation exists, the municipality merely acts as trustee or agent for and on behalf of the independent authority; accordingly the assets and liabilities of any sinking funds so held are to be included in the Trust and Agency Funds Balance Sheet, Exhibit 30 (Form 48 on page 225).

FORM 42

**SINKING FUND
STATEMENT OF SURPLUS (DEFICIT)**

SINKING FUND

STATEMENT OF SURPLUS (DEFICIT)

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 24

	Debit	Credit	Balance
1. Balance of Surplus (or Deficit) at Beginning of Year	\$	\$	
2. Adjustments Affecting Operations of Previous Years: (Specify)			
.....	
.....	
.....	
.....	
.....	
3. Balance after Above Adjustments			\$
4. Other Transactions Affecting Surplus: (Specify)			
.....	
.....	
.....	
.....	
.....	
5. Surplus or Deficit for Year under Review—Brought Forward from Sinking Fund Revenue and Expenditure Statement, Exhibit 25	
6. Surplus Transferred to Revenue Fund (General Section) During Year under Review—Carried Forward to Revenue and Expenditure Statement, Exhibit 10	
7. Balance of Surplus or Deficit at End of Year—Carried Forward to Sinking Fund Balance Sheet, Exhibit 23	\$
8. Totals of Debit and Credit Columns	\$	\$	

**SINKING FUND
STATEMENT OF SURPLUS (DEFICIT)**

The purpose of this statement is to show the changes during the fiscal period in the surplus (or deficit) of the sinking fund; thus it actually represents an analysis, in condensed form, of the ledger account.

1. The balance of the account at the beginning of the year, the amount of which would be shown in *either* the debit or credit column, as the case may be.

2. Adjustments directly affecting operations of previous years which should be summarized according to character and *only the net result of similar adjustments* shown in the statement.

3. Extend the balance of the account after giving effect to the adjustments shown under item 2.

4. Transactions affecting surplus, other than adjustments relating to operations of previous years or transfers to revenue fund, which should be summarized according to character and *only the net result of similar transactions* shown in the statement. These may vary in character, such as transfers to or from reserve accounts, or write-offs or adjustments relating to investments and other balance sheet accounts.

5. The surplus or deficit for the current fiscal year as shown by the Sinking Fund Revenue and Expenditure Statement, Exhibit 25 (Form 43 on page 206).

6. The portion of the surplus for either the current or previous years which was transferred (with authority) to Revenue Fund (general section) during the current fiscal year. The amount shown here should agree with that included under item 8 of the revenues in Exhibit 10 (Form 25 on page 86).

7. The balance of the account at the close of the year should be extended opposite this item and in addition entered in either the debit or credit column, as the case may be, so as to bring the totals of each into agreement. This balance should agree with the amount shown under item 8 of the assets or item 6 of the liabilities, as the case may be, in the Sinking Fund Balance Sheet, Exhibit 23 (Form 41 on page 193).

FORM 43

**SINKING FUND
STATEMENT OF REVENUE AND EXPENDITURE**

SINKING FUND
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 23

REVENUE

1. Sinking Fund Contributions	\$
2. Interest On:	
21. Bank Deposits	\$
22. Investments .....	.....
23. Loans or Advances to Other Funds .....	.....
24. Sinking Fund Contributions Overdue and Deferred .....	.....
	Sub-Total
3. Profit on Sale of Investments .....	.....
4. Premium or Bonus on Investments Matured (or Called) .....	.....
5. Other: (Specify)	
51.	\$
52. ....	.....
	Sub-Total
6. Total Revenue	\$
7. Deficit for Year (Excess of Expenditure over Revenue) Carried Forward to Surplus (Deficit) Account, Exhibit 24.....	.....
8. Grand Total Revenue Section	\$

EXPENDITURE

1. Sinking Fund Provision (Actuarial Requirements)	\$
2. Loss on Sale of Investments .....	.....
3. Administrative Expenses .....	.....
4. Other: (Specify)	
41.	\$
42. ....	.....
	Sub-Total
5. Total Expenditure	\$
6. Surplus for Year (Excess of Revenue over Expenditure)—Carried forward to Surplus (Deficit) Account, Exhibit 24 .....	.....
7. Grand Total Expenditure Section	\$

SINKING FUND STATEMENT OF REVENUE AND EXPENDITURE

REVENUE

All revenue and expenditure, whether or not payment is received or made, should be shown in this statement.

1. The amount due from all revenue funds for sinking fund requirements for the fiscal year, whether received or not.	Sinking Fund Contributions
--	---

2. Interest on bank deposits.

Interest

Interest on investments, received and accrued, held in the fund; deduct accrued interest paid on securities purchased during the fiscal period.

Interest on loans and advances to other funds, including accrued interest.

Interest on sinking fund contributions overdue and/or deferred, including accrued interest.

3. The amount by which the proceeds from sale of securities held as investments exceed their balance sheet valuation.	Profit on Sale of Investments
---	--

4. The amount received in excess of the par value of securities held as investments either when such have matured or when called for redemption before the due date.	Premium or Bonus on Investments Matured (or Called)
--	--

5. This item should include sundry revenues not provided for elsewhere in the statement, the source and nature of which should be specified.	Other
--	--------------

6. The total of items 1 to 5 above.

7. The amount by which item 5 of expenditures exceeds item 6 above.	Deficit
---	----------------

8. The total of items 6 and 7.

EXPENDITURE

1. The amount added during the year to the Reserve for Retirement of Debentures, item 1, Liabilities, Sinking Fund Balance Sheet (Form 41 on page 195). This should be the actuarial requirements for the fiscal year; that is, the amount required to bring the Reserve to the total which should be on hand in the sinking fund at the close of the fiscal period.	Sinking Fund Provision
--	-----------------------------------

2. The amount by which the balance sheet valuation of securities held as investments, which were sold during the year, exceeds the proceeds from sale.	Loss on Sale of Investments
--	--

3. Salaries, stationery and office supplies, and other administrative costs where these are paid directly out of the sinking fund rather than out of the Revenue Fund of the municipality.	Administra- tive Expenses
--	--------------------------------------

4. Sundry expenditures not provided for above, the purpose and nature of which should be specified.	Other
---	--------------

Surplus

5. The total of items 1 to 4 above.
6. The amount by which item 6 of the revenue exceeds item 5 above.
7. The total of items 5 and 6.

FORM 44

**SINKING FUND
STATEMENT OF RECEIPTS AND PAYMENTS**

SINKING FUND

STATEMENT OF RECEIPTS AND PAYMENTS

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 26**RECEIPTS**

1. Cash at Beginning of Year	\$	
2. Interest On:		
21. Bank Deposits	\$	
22. Investments	\$	
23. Loans and Advances to Other Funds	\$	
24. Sinking Fund Contributions Overdue and Deferred	\$	
Sub-Total		
3. Sale of Investments		
4. Redemption of Investments Matured:		
41. Par Value	\$	
42. Premium or Bonus	\$	
Sub-Total		
5. Sinking Fund Contributions (Requirements)		
6. Other: (Specify)		
61.	\$	
62.	\$	
Sub-Total		
7. Total Receipts		\$
8. Bank Overdraft at End of Year		\$
9. Grand Total Receipts Section		\$

PAYMENTS

1. Bank Overdraft at Beginning of Year	\$	
2. Purchase of Securities as Investments:		
21. Principal	\$	
22. Accrued Interest	\$	
Sub-Total		
3. Payments to Other Funds: (Specify)		
31. Revenue Fund	\$	
32.	\$	
33.	\$	
Sub-Total		
4. Administrative Expenses		
5. Other: (Specify)		
51.	\$	
52.	\$	
Sub-Total		
6. Total Payments		\$
7. Cash at End of Year		\$
8. Grand Total Payment Section		\$

**SINKING FUND
STATEMENT OF RECEIPTS AND PAYMENTS**

RECEIPTS

The actual cash received and disbursed on account of the fund should be shown in this statement.

- | | |
|--|--|
| 1. Cash on hand and/or in bank at beginning of the year. (This should be the amount shown on hand in the Sinking Fund Balance Sheet at the end of the previous fiscal period.) | Cash |
| 2. This item should include all interest received, whether current, in arrears, or accrued, including the following:
Interest on bank deposits.
Interest on investments held in the fund.
Interest on loans and advances to other funds.
Interest on sinking fund contributions overdue and/or deferred. | Interest |
| 3. Receipts from the sale of bonds, debentures and other securities, e.g., principal amount of proceeds derived from sale of securities held as investments. This should be equal to the book value of the securities sold, plus profit on the sale (or minus loss on the sale). | Sale of Investments |
| 4. The face or par value of securities redeemed should be shown separately from any premium or bonus received, as on securities called for payment before due date. | Redemption of Investments Matured |
| 5. Receipts from all revenue funds on account of sinking fund deposit requirements, whether for the current fiscal year, for arrears, or in prepayment. | Sinking Fund Contributions (Requirements) |
| 6. Sundry receipts not provided for above, the source and purpose of which should be specified. | Other |
| 7. Total of items 1 to 6. | |
| 8. (As shown in the balance sheet for the current fiscal period.) | Bank Overdraft at |
| 9. The total of items 7 and 8. | End of Year |

PAYMENTS

- | | |
|--|--|
| 1. (As shown in the balance sheet for the previous fiscal period.) | Bank Overdraft at Beginning of Year |
| 2. Show separately the principal amount paid for the investments, and the amount paid for accrued interest thereon. | Purchase of Securities as Investments |
| 3. Amounts paid during the fiscal year to revenue fund for the redemption of debentures which fall due. Also payments to other funds, which should be specified, as should the purpose of the payment. | Payments to Other Funds |
| 4. Salaries, stationery and office supplies, and other administrative costs where these are paid directly out of the sinking fund rather than out of the Revenue Fund of the municipality. | Administrative Expenses |

Other

5. Sundry payments not provided for above, the purpose and nature of which should be specified.

6. Total of items 1 to 5.

Cash

7. Cash on hand and/or in bank at the end of the year. (This should be the amount shown on hand in the Sinking Fund Balance Sheet at the end of the current fiscal period.)

8. The total of items 6 and 7.

SECTION F

RESERVE FUNDS

FORM 45

RESERVE FUNDS BALANCE SHEET

RESERVE FUNDS BALANCE SHEET

As at 19
(Day) (Month)

EXHIBIT 27

	Insurance Reserve Fund	Other (Specify)	Other (Specify)	Other (Specify)	Total All Reserve Funds
ASSETS					
1. Cash	\$	\$	\$	\$	\$
2. Investments:					
21. Dominion Government	\$	\$	\$	\$	\$
22. Provincial Governments: (Specify)					
221.
222.
223.
224.
225.
23. Municipal Governments (Excl. Own).....
24. Own Municipality
25. School Corporations
26. Others: (Specify)					
261.
262.
Total Investments	\$	\$	\$	\$	\$
3. Due from Other Funds: (Specify)					
31.
32.
33.
4. Other Assets: (Specify)					
41.
42.
43.
Total Assets	\$	\$	\$	\$	\$
LIABILITIES					
1. Reserve Fund Balance	\$	\$	\$	\$	\$
2. Accounts Payable
3. Due to Other Funds: (Specify)					
31.
32.
33.
4. Other Liabilities: (Specify)					
41.
42.
43.
Total Liabilities	\$	\$	\$	\$	\$

RESERVE FUNDS BALANCE SHEET

Reserve Funds which have been provided for specific purposes and for which assets have been set aside should be reported in the form of this Exhibit, assets and liabilities of *each such reserve being shown in a separate column with the name of the reserve at the top*. Such Reserve Funds should not be confused with those in other balance sheets which represent merely an allocation of assets and surplus of the funds presented in those balance sheets.

The revenue and expenditure of both types, however, may be reported in the statement of Revenue and Expenditure of Reserve Funds, Exhibit 29 (Form 47 on page 222).

Most such Reserve Funds will fall into the categories of *Special Reserve Funds, Workmen's (or other) Compensation Reserve Funds, Insurance (public liability or other) Reserve Funds, and Special Depreciation Reserve Funds*.

ASSETS

1. The balance of cash on hand or on deposit in the reserve funds which **Cash** has not been invested.

2. Bonds, debentures, stock or other securities in which monies deposited **Investments** in the reserve funds have been invested; these should be classified according to the detail shown in the balance sheet. The same procedure should be followed in this regard as in the case of classifying sinking fund investments. (See page 197 for detailed explanation.)

3. Amounts due from revenue or other funds of the municipality, which **Due from Other Funds** would consist principally of deposits due to reserve funds; but would also include amounts due on account of temporary advances to other funds out of reserve funds.

The name and amount owing by each other fund should be shown separately in the balance sheet; and care should be taken to see that the corresponding liabilities of the other funds are in agreement with the amounts included here.

4. Assets of reserve funds other than those specifically provided for, the **Other Assets** exact nature of which should be clearly indicated in the balance sheet. Cash deposits with a trust company or other depositaries which are trust or guaranteed should be included here and not under item 1. Also include here such items as *Accrued Interest on Investments, Interest Due and Unpaid on Investments Unmatured, Investments Matured and Unpaid, and Interest Unpaid on Investments Matured*, all of which are explained on pages 197 and 198 in relation to the Sinking Fund Balance Sheet.

LIABILITIES

1. This represents the liability of each different reserve fund in respect **Reserve Fund Balance** of the reserve created. It is the net amount of assets available at the time of the balance sheet for application to the purpose for which the reserve was established.

It is important that the fund balance be reported in accordance with the terms or conditions of the reserve created and that amounts payable or commitments due in the fiscal period but unpaid at the close of the period be reported separately under item 2.

**Accounts
Payable**

2. Amounts due and owing which are payable out of the cash or other resources of the reserve funds, but not including any amounts owing to other funds of the municipality.

**Due to
Other Funds**

3. Amounts due to revenue or other funds of the municipality which would consist principally of amounts due and payable out of reserve funds, pending the liquidation of securities held on that account.

The name and amount owing to each other fund should be shown separately in the balance sheet; and care should be taken to see that the corresponding assets of the other funds are in agreement with the amounts included here.

**Other
Liabilities**

4. Liabilities of reserve funds other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet.

NOTE: It is desirable that revenue and expenditure of Reserve Funds be reported. See Revenue and Expenditure Account of Reserve Funds (Form 47 on page 222).

FORM 46

RECONCILIATION OF RESERVE FUND BALANCE

RECONCILIATION OF RESERVE FUND BALANCE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 28

1. Reserve Fund Balance at Beginning of Year	\$
2. Revenue of Fund (Item 6, Exhibit 29, Revenue)	\$
3. Expenditures of Fund (Item 5, Exhibit 29, Expenditure)	\$
4. Net Increase (Item 6, Expenditures) add, or Net Decrease (Item 7, Revenue) subtract	\$
5. Reserve Fund Balance at End of Year	\$

The purpose of this statement is to show the changes during the fiscal year in the reserve fund balance. The items are self explanatory. It actually represents an analysis, in condensed form, of the general ledger account.

FORM 47

**RESERVE FUNDS
STATEMENT OF REVENUE AND EXPENDITURE**

RESERVE FUNDS

STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 29

REVENUE

1. Revenue or other Fund Contributions: (Specify)	\$
2. Interest On:	
21. Bank Deposits	\$
22. Investments .....	.....
	Sub-Total
3. Profit on Sale of Investments .....	.....
4. Premium or Bonus on Investments Matured (or Called) .....	.....
5. Other: (Specify)	
51.	\$
52. ....	.....
	Sub-Total
6. Total Revenue	\$
7. Decrease in Reserve (Excess of Expenditure over Revenue)—Carried forward to Fund Reconciliation—Exhibit 28 .....	.....
8. Grand Total Revenue Section	\$

EXPENDITURE

1. Contributions to Capital and Loan Funds: (Specify)	\$
2. Contributions to Other Funds: (Specify)	
21.	\$
22. ....	.....
	Sub-Total
3. Loss on Sale of Investments .....	.....
4. Other: (Specify) [Classified as in Exhibit 10 (Form 25 on page 83)]	
41.	\$
42. ....	.....
	Sub-Total
5. Total Expenditure	\$
6. Increase in Reserve (Excess of Revenue over Expenditure)—Carried forward to Fund Reconciliation—Exhibit 28 .....	.....
7. Grand Total Expenditure Section	\$

RESERVE FUNDS STATEMENT OF REVENUE AND EXPENDITURE

In some instances municipalities are empowered to provide reserve funds for construction and reconstruction, deferred maintenance, replacement of equipment or for other special purposes. In most of such instances the money is also set aside in a special account or fund for investment, and earmarked according to the purpose for which it may be used. Interest from the investment of this money and other income may or may not be added to the fund. Similarly expenditures may be made directly out of the fund. In other instances the money is not actually set aside in a separate fund, there being merely a "provision" for the reserve account, according to the purpose for which created in the appropriate balance sheet, but with no corresponding transfer of money for investment to a special reserve fund account.

Regardless of which procedure is followed, however, it is considered sound financial practice for all income or other revenues accruing to the credit of the reserve accounts and all expenditures chargeable thereto, to be kept separate and not included in the general or other revenue and expenditure account. Thus a statement should be included in the annual report, showing the transactions relating to such reserves and reserve funds.

This statement is designed primarily for use where such special funds are created by the municipality out of general or other revenue and deposited in separate reserve fund account as reported above. However, where there is merely a provision for the reserve and the assets reserved remain part of the revenue fund, the expenditures charged directly against the reserve account, and other transactions relating to the reserve, should be reported in a similar manner.

REVENUE

- | | |
|--|--|
| 1. Income of a special reserve fund which arises out of the transfer of liquid assets from the <i>Revenue Fund</i> or any other fund. This may be by way of a lump sum, or by regular or irregular payments. | Revenue
or Other
Fund
Contributions |
| 2. Interest on bank deposits. | Interest |
| Interest received and accruing on investments held in the fund: deduct accrued interest paid when securities were purchased during the fiscal period. | |
| 3. The amount by which the proceeds from sale of securities held as investments exceeds their balance sheet valuation. | Profit on
Sale of
Investments |
| 4. The amount received in excess of the par value of securities held as investments either when such have matured or when called for redemption before the due date. | Premium or
Bonus on
Investments
Matured
(or Called) |
| 5. This item is for sundry revenues not provided for elsewhere in the statement, the nature and source of which should, however, be specified. | Other |
| 6. The total of items 1 to 5 above. | |
| 7. The amount by which item 5 of expenditures exceeds item 6 above. | Decrease
in Reserve |
| 8. The total of items 6 and 7. | |

EXPENDITURE**Contributions
to Capital
Funds**

1. Expenditures for buildings or structural work, including land, purchase of equipment, construction of improvements, such as streets, sidewalks, sewers, etc., and for other assets of a fixed or permanent nature which were acquired out of this special reserve fund during the current fiscal year.

These should be regarded as Contributions to the appropriate Capital and Loan Funds, and be recorded there under Source of Funds, with detail of Expenditure shown as Application of Funds.

**Contributions
to Other
Funds**

2. Transfers from these special Reserve Funds to Revenue Funds, or other funds (specify fund).

**Loss on Sale
of Investments**

3. The amount by which the balance sheet valuation, of securities held as investments which were sold during the year, exceeds the proceeds from the sale.

Other

4. Sundry expenditures not provided for elsewhere in this statement, the purpose and nature of which should be specified according to the classification of expenditures in the (General) Revenue and Expenditure Statement, Exhibit 10 (Form 25 on pages 87 and 88).

5. The total of items 1 to 4.

**Increase
in Reserve**

6. The amount by which item 6 of the revenue section exceeds item 5 above.

7. The total of items 5 and 6.

SECTION G

TRUST AND AGENCY FUNDS

TRUST AND AGENCY FUNDS BALANCE SHEET

As at 19 ...
(Day) (Month)

EXHIBIT 30

	Trust Funds		Agency Funds		Total all Funds
	Memorial or Endow- ment Trust Funds	Other (Specify)	Civic Pension Funds	Other (Specify)	
ASSETS					
1. Cash	\$	\$	\$	\$	\$
2. Investments:					
21. Dominion Government	\$	\$	\$	\$	\$
22. Provincial Governments:					
(Specify)
221.
222.
223.
224.
225.
23. Municipal Governments					
(Excl. Own)
24. Own Municipality
25. School Corporations
26. Others: (Specify)					
261.
262.
Total Investments	\$	\$	\$	\$	\$
3. Due from Other Funds: (Specify)					
31.
32.
33.
4. Other Assets: (Specify)					
41.
42.
43.
Total Assets	\$	\$	\$	\$	\$
LIABILITIES					
1. Trust or Agency Fund Balance	\$	\$	\$	\$	\$
2. Accounts Payable					
3. Due to Other Funds: (Specify)					
31.
32.
33.
4. Other Liabilities: (Specify)					
41.
42.
43.
Total Liabilities	\$	\$	\$	\$	\$

TRUST AND AGENCY FUNDS BALANCE SHEET

This balance sheet is for reporting the financial position of all trust or agency funds in the hands of the municipal corporation. It is important that all such fund balances be reported separately and not included in the individual balance sheets of the local authorities which are charged with the custody and management of the funds.

Trust Funds would include *Guaranty Deposits*, such as contractors' deposits or holdbacks; *Local Improvement (or other) Commutation Funds*; *Clergy Reserve Funds*; *Perpetual Care Funds*, as in respect of cemeteries or cemetery plots; *Memorial or other Endowment Funds* as to cemeteries, hospitals, libraries or parks, and other sundry trust or endowment funds as well as *Deposits in Trust*. This group should include the assets held in trust for the sinking funds of school corporations or other bodies that issue their own debentures, together with off-setting liabilities and reserves. Where this situation exists, the municipality merely acts as a trustee or agent for and on behalf of the independent authority.

Agency Funds would include *Civic Pension Funds*; *Police Pension or Benefit Funds*; *Firemen's Pension or Benefit Funds* and others of the same character. Only such of the assets of these funds as are held in trust by the municipality, together with the necessary agency fund balances, should be reported here. It is desirable that financial information for such funds should be published, preferably in the municipality's report, whether or not the funds are administered in trust by the municipality. A detailed reporting form for use by the administrators (boards or commissions) in reporting assets and liabilities of *Agency Funds* is therefore set out in Part 4, page 317.

If possible each fund should be reported in a separate column in the balance sheet, as illustrated, with Trust and Agency Funds grouped under those headings. Otherwise, funds may be combined into these two groups, but should not all be consolidated into one balance sheet.

ASSETS

1. The balance of cash on hand or on deposit in the trust or agency funds **Cash** which has not been invested.

2. Bonds, debentures, stock or other securities in which monies deposited **Investments** in the trust or agency funds have been invested; these should be classified according to the detail shown in the balance sheet. The same procedure should be followed in this regard as in the case of classifying sinking fund investments. (See page 197 for detailed explanation.)

3. Amounts due from revenue or other funds of the municipality, which **Due from** would consist principally of deposits due to agency funds; but would also include **Other** amounts due on account of temporary advances to other funds out of trust or **Funds** agency funds, as well as inter-fund balances between these funds.

The name and amount owing by each other fund should be shown separately in the balance sheet; and care should be taken to see that the corresponding liabilities of the other funds are in agreement with the amounts included here.

4. Assets of trust or agency funds other than those specifically provided **Other** for, the exact nature of which should be clearly indicated in the balance sheet. **Assets** Cash deposits with a trust company or other depositaries which are *trust* or *guaranteed* should be included here and *not* under item 1. Also include here such items as *Accrued Interest on Investments*, *Interest Due and Unpaid on Investments Unmatured*, *Investments Matured and Unpaid*, and *Interest Unpaid on Investments Matured*, all of which are explained on pages 197 and 198 in relation to the Sinking Fund Balance Sheet.

LIABILITIES

Trust or
Agency
Fund
Balance

1. This represents the liability of each different fund in respect of the trust or agency created.

Trust Fund

In the case of a *trust fund* arising from a *bequest, gift or endowment*, the fund balance would represent the amount of the original bequest(s), gift(s) or endowment(s) if the principal thereof is to be held intact; but if in addition to the earnings or revenue from the trust, the principal is also to be gradually expended, this account would then represent the reduced balance of the trust. *Commutation Funds* would fall within this latter category.

A *Deposit In Trust* usually bears interest until it is returned or applied in accordance with the intention or agreement at the time of making the deposit, in which case the fund balance represents the amount accumulated to the credit of the person or other authority from which the deposit was received.

A *Perpetual Care Fund* may be one of three different varieties, namely a *fixed trust* where the principal remains intact, a *wasting trust* where the principal as well as the revenue is expendable, or what might be termed a *progressive or cumulative trust* which is one where the principal is added to from time to time as well as being expendable, such as in the case of a *Cemetery Perpetual Care Fund* where the proceeds from the sale of plots are to be held in trust for the care and maintenance of the cemetery. In these cases the fund balance would vary according to the nature of the trust.

Agency Fund

The fund balance of an *agency fund* represents the amount accumulated to its credit unless it is established on an actuarial basis, when a "reserve" equal to the actuarial requirements would represent the fund balance. This may be the case in respect of some civic pension funds, in which event the difference between the assets of the fund and the reserve would represent a surplus or deficit and be shown accordingly under item 4 of either the liabilities or assets, as the case may be.

It is important that the fund balance be reported in accordance with the terms or conditions of the trust or agency created as outlined above and that amounts payable or commitments due in the fiscal period but unpaid at the close of the period be reported separately under item 2.

Accounts
Payable

2. Amounts due and owing which are payable out of the cash or other resources of the trust or agency funds, but *not* including any amounts owing to other funds of the municipality.

Due to
Other
Funds

3. Amounts due to revenue or other funds of the municipality which would consist principally of amounts due on account of borrowings to meet either the provisions of a trust or amounts due and payable out of agency funds, pending the liquidation of securities held on that account; but would also include inter-fund balances between any trust or agency funds.

The name and amount owing to each other fund should be shown separately in the balance sheet; and care should be taken to see that the corresponding assets of the other funds are in agreement with the amounts included here.

Other
Liabilities

4. Liabilities of trust or agency funds other than those specifically provided for, the exact nature of which should be clearly indicated in the balance sheet.

PART 1

APPENDIX "1"

PROCEDURE FOR REPORTING JOINT OR SPECIAL EXPENDITURES AND OTHER SPECIAL MUNICIPAL RELATIONSHIPS

The general explanations in the body of the text of Part 1 relating to Assets and Liabilities, Revenues and Expenditures and their supporting schedules, are designed to cover normal local activities more or less common to municipal organizations throughout Canada. The following instructions supplement the foregoing material by outlining the procedure to be followed where special relations are involved, or where peculiarities exist in municipal organization. These pages of Appendix 1 of this Municipal Finance Reporting Manual may require revision on occasion, and revised sheets will be supplied to municipalities and auditors. Others may obtain them on request. See Preface, page iii.

Nova Scotia

1. Frontage taxes, or rates or sums in lieu of frontage taxes, covering either construction or installation, or operation and maintenance of these services should be reported as follows:

Curb and
Gutter,
Sidewalk and
Sewer Rates

Revenue—The amount of such rates due and payable in the current fiscal year, whether for construction or installation, or operation and maintenance, should be included in item 1, *Taxation*, under the appropriate sub-item of Special Assessments (Owners' Share) and Charges, in the Revenue and Expenditure Statement, Exhibit 10 (Form 25 on page 86).

These instructions should be followed whether the annual frontage taxes, or sums in lieu of frontage taxes are entered in the yearly tax (or rate) roll against the respective properties liable for payment thereof, or are billed and collected independently of the ordinary municipal taxes.

Unpaid Rates (Asset)—If the practice is followed of including the amounts due each year in the yearly tax (or rate) roll, the asset representing unpaid rates would automatically be reflected in item 13, *Taxes Receivable*; and there would be no deferred revenue account, as the total of amounts entered in the roll would be credited direct to the revenue account, item 1, *Taxation*.

Where the rates are billed and collected independently, any rates unpaid at the close of the fiscal year should be set up as an asset and reported under item 3, *Accounts Receivable*, in the Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 60). The item should be broken down so as to show the total of these unpaid rates as a separate figure.

Deferred Revenue (Liability)—When the total amount of any such rates which may be paid in instalments over a period of years (such as for construction or installation) is set up as an asset, the offsetting credit should be made to a "Deferred Revenue" account and shown under item 15, *Other Liabilities* in the Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 61).

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), any such amounts appearing in the roll should be shown under item 3 (36).

2. Expenditures incurred by any municipality for the benefit of the county, or for the joint benefit of such municipality and any other municipality, including towns and cities, should be kept separate from all other expenditures, as should also any revenue from miscellaneous sources which accrues to the joint benefit

Joint
Expenditure
Boards or
Committees
(Share of
Total
Charges)

of such municipalities in the same manner as do the expenditures. Each municipality, including towns and cities, should show *only its share* of the net total joint expenditures, as apportioned by the local board or committee, under item 14 of the expenditures in Exhibit 10 (Form 25 on page 87), as referred to on page 111 of the instructions.

The municipality that originally incurred the expenditures should supplement the Statement of General Revenue and Expenditure, Exhibit 10 (Form 25 on page 83) with an additional statement showing the revenues and expenditures on joint account, the form for which is shown on page 248.

Also, each municipality (rural) should ascertain and report the assets and liabilities outstanding at the close of the fiscal year in respect of such Joint Expenditure Boards or Committees, and incorporate them in the General Capital and Loan Fund, Sinking Fund, or General Revenue Fund Balance Sheet, as the case may be, (or report them by means of a separate balance sheet, such as prescribed for special activities (Section "C"), so as to make possible a consolidation of all assets and liabilities in the Combined Balance Sheets, Exhibits 1 and 3).

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the amount levied for joint expenditures by each municipality, including cities and towns, should be included in item 1 (11-111).

District or Special Area Rates

3. The total amount *levied* by the municipality for District or Special Area Rates should be shown separately as an expenditure under item 14 in Exhibit 10 (Form 25 on page 88), as referred to in the instructions on page 111. Expenditures made or incurred by the municipality on behalf of each District, or Special Area which are chargeable against the respective levies, should be kept separate from all other expenditures, and these should be reported by means of a special statement separate and apart from the statement of Revenue and Expenditure, Exhibit 10 (Form 25 on page 83). The form for such a special statement is shown on page 250.

If, instead of the municipality making the expenditures for and on behalf of the Districts or Special Areas, as referred to in the foregoing, amounts are paid periodically, as may be required, to the Districts or Special Areas, which in turn incur the expenses and pay the bills, the municipality should ascertain the exact standing of all district and area accounts at the close of each year so as to be able to prepare the special statement referred to, as shown on page 250, covering District or Special Area operations. Also, the municipality should ascertain from the District or Special Area the amount of any assets or liabilities outstanding at the close of the fiscal year, in respect of each such District, and either incorporate them in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 59), or report them by means of separate balance sheets, such as prescribed for special activities (Section "C" on page 121), so as to make possible a consolidation of all assets and liabilities in the Combined Balance Sheets, Exhibit I and Exhibit 3.

The balance of levies for District Rates in excess of expenditures by the municipality in respect thereof, or in excess of amounts paid by the municipality to Districts or Special Areas, should be shown as "Deferred Revenue—District or Special Area Rates" under item 15, *Other Liabilities*, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 61). And similarly, expenditures by the municipality in respect of Districts, or amounts paid by the municipality to Districts or Special Areas, in excess of the amounts levied for District Rates, should be shown as "Deferred Expenditure—District Rates", under item 17, *Other Assets*, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 60). If any assets or liabilities of Districts or Special Areas at the close of the year are included in the General Revenue Fund Balance Sheet, it should be borne in mind that either the *deferred expenditure* or the *deferred revenue* account will

be affected, and these should be adjusted accordingly (excess of assets over liabilities—a credit to deferred revenue; or excess of liabilities over assets—a debit to deferred expenditure).

4. Levies, expenditures, and other transactions relating to any such rates levied for and on behalf of Villages and Commissions should be treated in the same manner as District or Special Area Rates, as explained on page 230, except that it is not necessary to prepare a special statement relating to their operations, or to incorporate their assets and liabilities in the municipal statements, as the activities of Villages and Commissions do not come within the jurisdiction of the municipal corporation, and they prepare their own financial reports.

**Villages and
Commissions**

New Brunswick

1. Some slight departure from the general procedure will have to be followed by counties in New Brunswick in reporting revenues as provided for in Exhibit 10 (Form 25 on page 86). Item 1, *Taxation* (Revenue) should include only the total amount of taxes levied for the current fiscal year in the several parishes within the county. Revenue from other municipalities (i.e., from cities, towns and villages) for their share of the net total expenditures for general county purposes, as well as for special charges, which together make up the total warrant, should *not* be included as taxation revenue but shown under item 8(81) in the general revenue statement. On the expenditure side no special procedure need be followed, in that expenditures should be reported on the basis of the classification set out in the general statement. It will no doubt be found desirable in most instances, however, to supplement this general statement of revenues and expenditures with one showing the detail of charges, as between those for general county purposes and special charges for cities, towns, and villages, and also for parishes. The form for this supplementary statement is shown on page 249. **Counties**

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), only the taxes levied in the parishes should be included.

2. Expenditure for county rates, as referred to in the instructions on page 111 in connection with item 14 of Exhibit 10 (Form 25 on page 87), applies only to cities, towns, and villages. Each municipality should include here only the total of its share of the general county rates and special charges which amount should be in agreement with the relative amount shown as a revenue under item 8(81) by the county, as referred to in 1 above. **County Rates**

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the amount levied for county rates should be included in item 1 (11-111).

Quebec

1. As counties in the Province of Quebec have no direct power of taxation, **Counties** but merely the right to impose a rate or charge against the constituent local municipalities comprising the county, some slight departure from the general procedure will have to be followed in reporting revenues as provided for in Exhibit 10 (Form 25 on page 86). Instead of item 1, *Taxation* (Revenue) counties should report in its place the revenue derived from the imposition of county rates or other charges classified according to municipalities, as follows:

1. *County Rates:*

- 11. Towns: (Specify)
- 12. Villages: (Specify)
- 13. Rural Municipalities: (Specify)
 - 131. Township Municipalities.
 - 132. Parish Municipalities.
 - 133. Municipalities (without designation).

All other revenues of the county should then be shown, to the extent that they are applicable, according to the classification of items 2 to 9 inclusive, and item 11, as shown in the general statement (Form 25 on page 86). On the expenditure side, however, no special procedure need be followed, in that expenditures should be reported on the basis of the classification set out in the general statement.

Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), does not apply to counties in Quebec.

2. The expenditure for county rates, as referred to in the instructions on **County Rates** page 111 in connection with item 14 of Exhibit 10 (Form 25 on page 87), applies only to towns, villages, and rural municipalities. Each municipality should include here only the total county rate or charge for the current fiscal year, which amount should be in agreement with the relative amount shown as a revenue by the county, as referred to in 1 above.

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the amount levied for county rates should be included in item 1 (11-111).

3. Although municipalities are required to levy taxes against properties **Municipal Mutual Insurance Companies** insured with such companies to meet established damages, and may levy additional taxes to establish an insurance reserve fund, any such taxes, tax collections, and other transactions relating to the operations of the insurance company should be kept separate from the general municipal transactions. The owners of the insured properties constitute the insurance corporation, which in turn is under the control and management of the municipal council; thus the municipality is in effect acting in the capacity of a "trustee" in respect of the insurance funds. Accordingly, tax levies in this regard and expenditures for damages, reserves, or other purposes should *not* be included in the Statement of General Revenue and Expenditure, Exhibit 10 (Form 25 on page 83). Taxes outstanding, including both current and arrears, and other assets, as well as liabilities, including reserves, should be reported in the Trust and Agency Funds Balance Sheet, Exhibit 30 (Form 48 on page 225).

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), any such amounts included in the roll should be shown under item 3 (36).

4. Rates charged to customers for water utility services are a direct revenue **Water Rates** of the utility and should be shown accordingly in the Utility Revenue and Expenditure Statement, Exhibit 22(A) (Form 40 on page 185). In most provinces the charge for this service is based on either the facilities or services enjoyed in each household or other establishment, or on the quantity of water consumed,

and such charges are billed and collected independently of municipal taxes. But there are cases, mainly in Quebec, where the charge for water service is based on the rental value of the property and included in the yearly tax roll for collection in the same manner as ordinary municipal taxes. Notwithstanding this practice, however, any such water rates or charges should be accounted for separate and apart from taxes; the total of such rates or charges for the current fiscal year should be included in item 1 of the utility revenue statement, as referred to above, and outstanding or unpaid rates due from customers should be shown as an asset under item 3, *Accounts Receivable* in the Utility Revenue Fund Balance Sheet, Exhibit 20 (Form 38 on page 176).

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), any such water rates or charges should be *excluded*.

Montreal
Metropolitan
Corporation
and Interurban
Corporation of
Ile Jésus

5 and 6. At the time of publication the Montreal Metropolitan Corporation had been established, as had the Interurban Corporation of Ile Jésus. The relationships of other municipalities with them will be set out in an amendment to this Appendix.

Ontario

1. As counties in the Province of Ontario have no direct power of taxation, but merely the right to impose a rate or charge against the constituent local municipalities comprising the county, some slight departure from the general procedure will have to be followed in reporting revenues as provided for in Exhibit 10 (Form 25 on page 86). Instead of item 1, *Taxation (Revenue)*, counties should report in its place the revenue derived from the imposition of county rates or other charges, classified according to municipalities, as follows:

1. *County Rates:*

- 11. Towns: (Specify)
- 12. Villages: (Specify)
- 13. Townships: (Specify)

All other revenues of the county should then be shown, to the extent that they are applicable, according to the general classification of items 2 to 9 inclusive, and item 11, as shown in the general statement (Form 25 on page 86). On the expenditure side, the general classification of expenditures, as shown in Exhibit 10 (Form 25 on page 87), should be followed. For the most part, items 1-8 inclusive, together with items 10 to 13 and 15, comprise the normal functional groups of expenditures for county municipalities. Other items of expenditure, such as for *agriculture* and *reforestation*, for which no provision is made in the general municipal statement inasmuch as they do not apply, should be shown separately.

Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), does not apply to counties in Ontario.

2. The expenditure for county rates, as referred to in the instructions on page 111 in connection with item 14 of Exhibit 10 (Form 25 on page 87), applies only to towns (other than separated towns), villages, and townships in counties. Each local municipality should show as an expenditure under this item its total share of the county rates or charges for the current fiscal year, *including secondary school and other educational costs*. It will thus be seen that these amounts should be in agreement with the relative amounts shown as a revenue by the county, as referred to in 1 above.

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the amount levied for county rates (including secondary school and other educational costs) should be included in item 1 (11-111).

3. The total amount *levied* by the municipality for the purposes of Police Villages should be shown separately as an expenditure under item 14 in Exhibit 10 (Form 25 on page 87), as referred to in the instructions on page 111. Expenditures made or incurred by the municipality on behalf of each Police Village, which are chargeable against the respective levies, should be kept separate from all other expenditures, and these should be reported by means of a special statement separate and apart from the ordinary Statement of General Revenue and Expenditure, Exhibit 10 (Form 25 on page 83). The form for such a special statement is shown on page 250.

If, instead of the municipality making the expenditures for and on behalf of the Police Villages, as referred to in the foregoing, amounts are paid periodically, as may be required, to the Police Village Trustees, who in turn incur the expenses and pay the bills, the municipality should ascertain the exact standing of all police village accounts at the close of each year so as to be able to prepare the special statement referred to, as shown on page 250, covering police village operations. Also, the municipality should ascertain from the Police Village Trustees the amount of any assets or liabilities outstanding at the close of the fiscal year, in respect of each Police Village, and either incorporate them in the

General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 59), or report them by means of separate balance sheets, such as prescribed for special activities (Section "C", page 121), so as to make possible a consolidation of all assets and liabilities in the Combined Balance Sheets, Exhibits 1 and 3.

The balance of levies for Police Village Rates in excess of expenditures by the municipality in respect thereof, or in excess of amounts paid by the municipality to Police Village Trustees, should be shown as "Deferred Revenue—Police Village Rates" under item 15, *Other Liabilities*, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 61). And similarly, expenditures by the municipality in respect of Police Villages, or amounts paid by the municipality to Police Village Trustees, in excess of amounts levied for Police Village Rates, should be shown as "Deferred Expenditure—Police Village Rates" under item 17, *Other Assets*, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 60). If any assets or liabilities of Police Villages at the close of the year are included in the General Revenue Fund Balance Sheet, it should be borne in mind that either the *deferred expenditure* or the *deferred revenue* account will be affected, and these should be adjusted accordingly (excess of assets over liabilities—a credit to deferred revenue; or excess of liabilities over assets—a debit to deferred expenditure).

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the total of amounts levied for such Police Village Rates should be included in item 1 (11-111).

4. Levies, expenditures, and other transactions relating to any such special areas should be treated in the same manner as Police Village Rates, as explained on page 237.

**Special
Area Rates
or Levies**

These special areas are found mostly in townships where they have been established for the purpose of providing such services as police and fire protection, sewage and other improvements. It is only in such cases that the procedure outlined should be followed. There are instances, however, where special areas are formed for the purpose of providing utility services such as water or electricity, in which event the amounts levied as a special area rate should be shown as an expenditure under item 10 of Exhibit 10 (Form 25 on page 87). (For further information in this latter regard, refer to the instructions on page 109 in connection with item 10 of the expenditures, and also to the instructions on page 189 in connection with item 3 of the revenue, for a water supply system.)

5. This item of expenditure, as referred to in the instructions on page 111 in connection with item 14 of Exhibit 10 (Form 25 on page 87), applies only to cities, separated towns and counties which share in the expenses of maintaining and constructing suburban roads. Each municipality should report as an expenditure under this item its total share of the Suburban Roads Commission Charges for the current fiscal year.

**Suburban
Roads
Commission
Charges**

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the amount levied for Suburban Roads Commission Charges should be included in item 1 (11-111).

6. This item of expenditure, as referred to on page 111 in connection with item 14 of Exhibit 10 (Form 25 on page 87) applies only to those municipalities of which all or a part is included in such an area. Each municipality should report as an expenditure the amount levied by it for and on behalf of the Interurban Administrative Area for the current fiscal year.

**Interurban
Administrative
Area Levies**

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the amount levied for Interurban Administrative Area Levies should be included in item 1 (11-111).

Note: For treatment of Health Units, see the last two paragraphs of item 14, Expenditures (page 112).

7. As the Municipality of Metropolitan Toronto does not directly levy taxes, but instead imposes a levy against the municipalities which comprise the metropolitan municipality, expenditures for general metropolitan rates should be shown by each constituent municipality, as Metropolitan General Rates under item 14 of Exhibit 10 (Form 25 on page 87), and expenditures for metropolitan education cost should be shown, separately identified, under Education, Public and Secondary in item 7 of Exhibit 10. Schedules giving detail of debenture debt charges should segregate or indicate those payable to the Municipality of Metropolitan Toronto.

**Municipality of
Metropolitan
Toronto**

Manitoba

1. The amount of the annual instalment payable to the province on this account, including both principal and interest, should be shown as an expenditure under item 14 of Exhibit 10 (Form 25 on page 87), as referred to in the instructions on page 89. Principal and interest should be shown separately.

**Provincial
Trunk
Highways**

The unmatured principal balance owing on this account should be shown under item 2, *Other Long-Term Indebtedness*, of the liabilities in the General Capital and Loan Funds Balance Sheet, Exhibit 4 (Form 13 on page 35), and the balance of any amounts past due and unpaid should be shown under item 6 of the liabilities in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 61).

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the levy for Provincial Trunk Highways should be included in item 1 (11-111).

2. The total amount *levied* by the municipality for Unincorporated Village Districts should be shown separately as an expenditure under item 14 in Exhibit 10 (Form 25 on page 87), as referred to in the instructions on page 111. The actual revenues and expenditures of all such Village District Committees should be reported by means of a special statement, the form for which is shown on page 250. This statement should be prepared from the annual return to Council by such Village District Committees, which should also include any assets or liabilities outstanding at the close of the year, so that these may also be reported in the financial statements of the municipality.

**Village
District
Committee
Rates or
Levies**

The balance of any such Village District Committee Rates or Levies in excess of amounts paid by the municipality to the committee(s) should be shown as "Deferred Revenue—Village District Rates" under item 15, *Other Liabilities*, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 61), and similarly, amounts paid by the municipality to the committee(s) in excess of amounts levied in that regard should be shown as "Deferred Expenditure—Village District Rates" under item 17, *Other Assets*, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 60).

It may occur in some instances, where arrangements have been made accordingly by the Village District Committee(s), that the municipality makes or incurs the expenditures directly and pays the accounts for and on behalf of the committee(s), but notwithstanding this fact, the procedure outlined above should still be followed.

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the total Village District Committee Rates or Levies should be included in item 1 (11-111).

3. Taxes levied by the municipality for Medical Care Districts should be treated in the same manner as other taxes levied for general purposes and included as part of taxation revenue (real property and/or poll) in item 1 of Exhibit 10 (Form 25 on page 86). The expenditure in this regard should be included in item 5, *Health*, under Medical, Dental and Allied Services.

**Medical
Care
District
Levies**

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the amount levied for Medical Care District Levies should be included in item 1 (11-111).

4. Taxes levied by the municipality for Hospital Districts should be treated in the same manner as other taxes levied for general purposes and included as part of taxation revenue in item 1 of Exhibit 10 (Form 25 on page 86). The expenditure in this regard should be included in item 14, *Joint Expenditures* (page 111).

**Hospital
District
Levies**

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the amount levied for Hospital District Levies should be included in item 1 (11-111).

Note: For treatment of Local Health Units, and Units and Areas for Diagnostic Services, see the last two paragraphs of item 14, Expenditures (page 112).

Corporation of
Metropolitan
Winnipeg

5. As the corporation of Metropolitan Winnipeg does not directly levy taxes, but instead imposes a levy against the municipalities which comprise the metropolitan municipality, expenditures for general metropolitan rates should be shown by each constituent municipality as Metropolitan Rates under item 14 of Exhibit 10 (Form 25 on page 87).

Saskatchewan

1. Taxes levied by the municipality, both general and special, for and on behalf of Rural Telephone Companies should be treated as *Agency or Trust Accounts*. Accordingly, the total amount of such taxes levied should not be included either as taxation revenue for municipal purposes, or as an expenditure, in the General Revenue and Expenditure Statement, Exhibit 10 (Form 25 on page 83), Assets and liabilities in respect of such Telephone Tax Levy, to the extent that they may be separable from general revenue fund balance sheet accounts, should be reported in the Trust and Agency Funds Balance Sheet, Exhibit 30 (Form 48 on page 225). Unpaid taxes should be shown as such under item 4 of the assets and the balance due to Rural Telephone Companies should be shown under item 1 of the liabilities. Normally, the assets and liabilities in respect of such telephone levies should be in agreement, but due to tax consolidations or tax sales and collections thereon, as well as to other transactions in respect of telephone levies which may be accounted for through certain revenue fund balance sheet accounts, there may be some differences. These differences would represent *inter-fund* balances and should be shown accordingly in the respective balance sheets.

**Telephone
Tax Levy**

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the total Telephone Tax Levy should be shown under item 3 (33).

2. Taxes levied by the municipality for and on behalf of Hail Insurance Associations should be treated in the same manner as outlined in respect of Telephone Tax Levy in 1 above.

**Hail
Insurance
Tax Levy**

3. Taxes levied by the municipality for Hospital Districts should be treated in the same manner as other taxes levied for general municipal purposes and included as part of taxation revenue in item 1 of Exhibit 10 (Form 25 on page 86). The expenditure in this regard, represented by the municipality's share of the hospital district requisition for the year, should be included in item 14, *Joint, Expenditures* as referred to on page 111.

**Hospital
Districts**

Amounts due to and from Hospital Districts at the close of the fiscal year should be shown either under item 9 of the liabilities or item 8 of the assets, as the case may be, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 59).

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the total levy for Hospital Districts should be included in item 1 (11-111).

Note: For treatment of Local Health Regions, see the last two paragraphs of item 14, *Expenditures* (page 112). Follow 3, above.

Alberta

1. Hail tax arrears uncollected and owing to the Hail Insurance Board by a Municipal District are to be included in asset items 13 and 14 of Exhibit 8, General Revenue Fund Balance Sheet (Form 19 on page 60), and a corresponding amount of liability, shown separately under liability item 15. The liability will also include Hail Tax Arrears collected but not remitted to the Hail Board. **Hail Tax**

Hail Tax Arrears which have been acquired by the Municipal District will be treated in the same manner as taxes levied for general municipal purposes and included as an asset in items 13 and 14 of Exhibit 8 (Form 19 on page 60).

In preparing Schedule 12, Taxes Receivable (Form 20 on page 70), both categories of Hail taxes noted above must be included.

2. Taxes levied by the municipality to meet Municipal Hospital District requisitions should be treated in the same manner as other taxes levied for general municipal purposes and included as part of taxation revenue in item 1 of Exhibit 10 (Form 25 on page 86). The expenditure in this regard, represented by the amount of the requisition, should be included in item 14, *Joint Expenditures* (Form 25 on page 87) and explanation on page 111. **Hospital Tax**

Unpaid taxes should be included under items 13 and 14 of the assets of Exhibit 8 (Form 19 on page 60). The liability will be at the amount of the requisition unpaid, which will be included under item 9 of Exhibit 8 (Form 19 on page 61).

In preparing Schedule 12, Taxes Receivable (Form 20 on page 70), Hospital Tax must be included.

3. Taxes levied by the municipality to meet requisitions of School Districts or School Divisions, should be treated in the same manner as outlined in respect of Hospital Tax in 2 above, with the liability shown under item 8, *Due to School Authorities*, and the expenditure under item 7 (page 87). **School Tax**

In preparing Schedule 12, Taxes Receivable (Form 20 on page 70), School Tax must be included.

Note: Arrears of School Taxes reported to the municipality for collection under the provisions of the Tax Recovery Act will not appear in the General Revenue Fund Balance Sheet. Reported School Arrears collected, but not remitted to the School Board or School Division will be included under item 8 of the Liabilities in Exhibit 8 (Form 19 on page 61).

British Columbia

1. Financial transactions of the municipality relating to the Greater Vancouver Water District and Greater Victoria Water District should be reflected in the statements of the water utility. The cost of water purchased should be shown as an expenditure under item 3 of the Utility Revenue and Expenditure Statement, Exhibit 22(A) (Form 40 on page 187). Amounts due to or from the Greater Vancouver Water District or Greater Victoria Water District in respect of water utility transactions should be shown under either item 8 of the liabilities or item 8 of the assets, as the case may be, in the Water Supply System Revenue Fund Balance Sheet, Exhibit 20 (Form 38 on page 175).

**Greater
Vancouver
Water District
and Greater
Victoria
Water District**

Each municipality should also report its contingent liability in respect of Greater Vancouver Water District debentures, or Greater Victoria Water District debentures, in Exhibit 5 (Form 14 on page 43).

2. The annual assessment made by the Greater Vancouver Sewerage and Drainage District on the municipality should be shown as an expenditure under item 14 in Exhibit 10 (Form 25 on page 87), as referred to in the instructions on page 111. Amounts due to or from the District should be shown under either item 5 of the liabilities or item 4 of the assets, as the case may be, in the General Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 59).

**Greater
Vancouver
Sewerage and
Drainage
District**

In preparing Schedule 16, *Summary of Tax (or Rate) Roll* (Form 26 on page 114), the levy for Greater Vancouver Sewerage and Drainage District assessment should be included in item 1 (11-111).

Each municipality should also report its contingent liability in respect of Greater Vancouver Sewerage and Drainage District debentures, in Exhibit 5 (Form 14 on page 43).

Note: Similar treatment will apply in the relationships of the Greater Nanaimo Sewerage and Drainage District with the constituent municipalities.

JOINT EXPENDITURE BOARD OR COMMITTEE

STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 31

REVENUE

1. Apportionment of Joint Expenditures:

11. Municipality of	\$
12. City of .....	.....
13. Town of .....	.....
14. Town of .....	.....
	Sub-Total \$

2. Miscellaneous Revenue:

21. Specify according to classifi-	\$
22. cation of items 2 to 9 inclusive, .....	.....
23. and item 11 of the Revenues as .....	.....
24. shown in Exhibit 10 (Form 25 on .....	.....
25. page 86). .....	.....
	Sub-Total

3. Total Revenue	\$
------------------------	----------

EXPENDITURE

1. Specify according to	\$
2. classification of items .....	.....
3. 1 to 13 inclusive, and .....	.....
4. items 15 and 17 of .....	.....
5. the Expenditures as .....	.....
6. shown in Exhibit 10 .....	.....
7. (Form 25 on pages 87 .....	.....
8. and 88). .....	.....
9. .... .....	.....
10. .... .....	.....
11. Total Expenditure	\$
12. Surplus (or Deficit) for Year .....	.....
13. Total	\$

Explanatory Note:

This is the form of supplementary statement referred to on page 230, which applies only to municipalities (rural) in Nova Scotia in which there are Joint Expenditure Boards or Committees. It provides for the detail of the apportionment of joint expenditures as between the municipalities liable therefore, as well as the necessary detail of revenues from miscellaneous sources and expenditures on joint account.

ANALYSIS OF SPECIAL RATES AND CHARGES

For the Fiscal Year Ended 19
 (Day) (Month)

EXHIBIT 32

	City, Town or Village (Specify)			Parishes (Specify)			Grand Total
			Total Col. (1) + (2)			Total Col. (4) + (5)	Col. (3) + (6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
REVENUE							
1. Total Warrant — or — Taxes Levied	\$	\$	\$	\$	\$	\$	\$
2. Special Revenue: (Specify)							
21.							
22.							
23.							
24.							
25.							
3. Total Revenue	\$	\$	\$	\$	\$	\$	\$
EXPENDITURE							
4. County Purposes	\$	\$	\$	\$	\$	\$	\$
5. Special Expenditures: (Specify)							
51.							
52.							
53.							
54.							
55.							
6. Total Expenditures	\$	\$	\$	\$	\$	\$	\$
7. Surplus							
OR							
8. Deficit							
9. Grand Total	\$	\$	\$	\$	\$	\$	\$

Explanatory Notes:

This is the form for the supplementary statement referred to on page 233. It applies only to Counties in New Brunswick.

Item 1 — **Warrant** — applies only to columns (1), (2) and (3), the total of which should agree with the amount shown under 8(81) of the revenues in the Statement of General Revenue and Expenditure (General Section), Exhibit 10 (Form 25 on page 86), as referred to on page 233.

Taxes Levied — applies only to columns (4), (5), and (6), the total of which should agree with the total of the amounts shown under item 1 of the revenues in the Statement of General Revenue and Expenditure (General Section), Exhibit 10 (Form 25 on page 86), as referred to on page 233.

Item 2 — Special items of revenue which accrue directly to the credit of specific cities, towns, villages, or parishes. These should be shown here according to the classification of items 2 to 9 inclusive, and item 11 in Exhibit 10 referred to above.

Item 3 — The total of item 1 and amounts shown under item 2.

Item 4 — The apportionment of the net total charges for general county purposes.

Item 5 — Special items of expenditure which are chargeable direct to specific cities, towns, villages, or parishes. These should be shown here according to the classification of items 1 to 13 inclusive and items 15 and 17 in Exhibit 10 referred to above.

Item 6 — The total of item 4 and amounts shown under item 5.

Item 7 or 8 — The difference between items 3 and 6, surplus or deficit, as the case may be.

Item 9 — The total of items 6 and 7, or the difference between items 6 and 8, depending on whether a surplus or a deficit is shown.

SPECIAL AREA OR DISTRICT RATES

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 33

Name or Number of Area or District						Grand Total
1. Balance January 1, 19 ...						
11. Deferred Expenditure	\$	\$	\$	\$	\$	\$
12. Deferred Revenue
2. Rates Levied for Current Year						
3. Miscellaneous Revenue:						
31. Specify according to clas-
32. sification of items 2 to 9
33. inclusive, of the Revenues
34. as shown in Exhibit 10
35. (Form 25 on page 86).
4. Total						
	\$	\$	\$	\$	\$	\$
5. Expenditures:						
51. Specify according to clas-
52. sification of items 1 to
52. 13 inclusive and item 15
54. of the Expenditures as
55. shown in Exhibit 10 (Form
25 on page 87).
6. Total						
	\$	\$	\$	\$	\$	\$
7. Balance December 31, 19 ...						
71. Deferred Expenditure	\$	\$	\$	\$	\$	\$
72. Deferred Revenue	\$	\$	\$	\$	\$	\$

Explanatory Note:
This is the form of supplementary statement which should be prepared in connection with District or Special Area Rates in Nova Scotia; Police Village Rates, and Special Area Rates in Ontario and Village District Committee Rates in Manitoba, as referred to on pages 230, 231, 237, 238 and 241 respectively. It provides for the necessary detail in support of any deferred expenditure or deferred revenue balances on this account shown in the Revenue Fund Balance Sheet, Exhibit 8 (Form 19 on page 59), as well as the necessary detail of revenues and expenditures for all such areas or districts.

APPENDIX "2"

STATEMENTS OF UTILITY REVENUE AND EXPENDITURE

Revenue and expenditure of utilities should be kept separate from ordinary municipal revenues and expenditures and a separate operating statement prepared for each, regardless of the method of financing operations or the method employed in the management and control of the enterprise. On page 185 of the Manual is shown the form of *Statement of Revenue and Expenditure* for a Water Supply System and this section includes similar statements for the other utilities which are found in municipal organizations throughout Canada, as follows:

Electric Light and Power	Form 52 Exhibit 22 (B)
Gas Supply System.....	Form 53 Exhibit 22 (C)
Transportation System.....	Form 54 Exhibit 22 (D)
Telephone System	Form 55 Exhibit 22 (E)
Central Heating	Form 56 Exhibit 22 (F)
Airport	Form 57 Exhibit 22 (G)
Housing Corporation or Authority	Form 58 Exhibit 22 (H)
Parking Authority.....	Form 59 Exhibit 22 (I)

For an explanation of these statements reference should be made to the instructions on pages 189 and 190 inclusive, relating to a Water Supply System, as the general procedure outlined in that regard applies as well to all other utilities.

This list (with Water Supply System) includes all those municipal activities which, according to the funds grouping used in this Manual, are to be regarded as "Utilities". Any other enterprises operated by municipalities should be included with the Special Activity Funds in Section "C" on page 121.

ELECTRIC LIGHT AND POWER STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19 ...
(Day) (Month)

EXHIBIT 22 (B)

REVENUE

1. Sale of Electrical Energy:

11. Residential Sales	\$
12. Commercial Sales—	
121. Power	\$
122. Lighting, etc. ....	.....
	<u>Sub-Total</u>
13. Industrial Sales—	
131. Power	\$
132. Lighting, etc. ....	.....
	<u>Sub-Total</u>
14. Sales to Public Authorities (Other than Own Municipality)—	
141. Power	\$
142. Lighting, etc. ....	.....
	<u>Sub-Total</u>
15. Sales to Own Municipality—	
151. Power	\$
152. Street Lighting .....	.....
153. Other Lighting, etc. ....	.....
	<u>Sub-Total</u>
16. Other Sales: (Specify)	
161. Sales to Other Electric Utilities	\$
162. ....	.....
163. ....	.....
	<u>Sub-Total</u>
	<u>Sub-Total</u> \$

2. Miscellaneous Revenue:

21. Customers' Forfeited Discounts and Penalties	\$
22. Servicing of Customers' Installations .....	.....
23. Sales of Merchandise .....	.....
24. Other: (Specify) .....	.....
241. ....	.....
242. ....	.....
243. ....	.....
	<hr/>
	Sub-Total

3. Provided by General Revenue Fund:

31. General or Special Area Rates	\$
32. Local Improvement Charges – Owners’ Share .....	.....
	<u>Sub-Total</u>

4. Total Revenue \$

5. Deficit for Year (Excess of Expenditure over Revenue)—Carried Forward to Electric Light and Power Revenue Surplus (Deficit) Account, Exhibit 21

6. Grand Total Revenue Section \$

ELECTRIC LIGHT AND POWER
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (B)

EXPENDITURE

1. Administration and General	\$
2. Customers' Billing and Collecting .....	.....
3. Electrical Energy Purchased .....	.....
4. Generation of Electrical Energy:	
41. Maintenance	\$
42. Operation .....	.....
	Sub-Total
5. Transmission and Transformation:	
51. Maintenance	\$
52. Operation .....	.....
	Sub-Total
6. Distribution:	
61. Maintenance	\$
62. Operation .....	.....
	Sub-Total
7. Street Lighting:	
71. Maintenance	\$
72. Operation .....	.....
	Sub-Total
8. Other — Exclusive of Depreciation and Debt Charges: (Specify)	
81. Cost of Merchandise Sales	\$
82. ....	.....
83. ....	.....
	Sub-Total
9. Provision for Depreciation .....	.....
10. Debt Charges:	
101. Debenture Principal (Specify — Serial, Sinking Fund)	\$
102. Debenture Interest .....	.....
103. Other Long-Term Debt Charges (Specify — Principal, Interest) .....	.....
104. Other Debt Charges .....	.....
	Sub-Total
11. Total Expenditure	\$
12. Surplus for Year (Excess of Revenue over Expenditure) — Carried Forward to Electric Light and Power Revenue Surplus (Deficit) Account, Exhibit 21 .....	.....
13. Grand Total Expenditure Section	\$

GAS SUPPLY SYSTEM
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (C)

REVENUE

1. Sale of Gas:

11. Residential Sales \$
12. Commercial Sales
13. Industrial Sales
14. Sales to Public Authorities (Other than Own Municipality)
15. Sales to Own Municipality:
 151. Street Lighting \$
 152. Other Lighting, etc.
Sub-Total

16. Other Sales: (Specify)

161. Sales to Other Gas Utilities
162.
163.
Sub-Total \$

2. Miscellaneous Revenue:

21. Customers' Forfeited Discounts and Penalties \$
22. Servicing of Customers' Installations
23. Sales of Merchandise
24. Sales of By-Products
25. Other: (Specify)
 251.
 252.
 253.
Sub-Total

3. Provided by General Revenue Fund:

31. General or Special Area Rates \$
32. Local Improvement Charges—Owners' Share
Sub-Total

4. Total Revenue \$

5. Deficit for Year (Excess of Expenditure over Revenue)—Carried Forward
to Gas Supply System Revenue Surplus (Deficit) Account, Exhibit 21

6. Grand Total Revenue Section \$

GAS SUPPLY SYSTEM
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (C)

EXPENDITURE

1. Administration and General	\$
2. Customers' Billing and Collecting .....	.....
3. Gas Purchased:	
31. Manufactured Gas	\$
32. Natural Gas .....	.....
	Sub-Total
4. Gas Production:	
41. Manufactured Gas —	
411. Maintenance	\$
412. Operation .....	.....
	Sub-Total \$
42. Natural Gas —	
421. Maintenance	\$
422. Operation .....	.....
	Sub-Total
	Sub-Total
5. Transmission:	
51. Maintenance	\$
52. Operation .....	.....
	Sub-Total
6. Distribution:	
61. Maintenance	\$
62. Operation .....	.....
	Sub-Total
7. Street Lighting:	
71. Maintenance	\$
72. Operation .....	.....
	Sub-Total
8. Other — Exclusive of Depreciation and Debt Charges: (Specify)	
81. Cost of Merchandise Sales	\$
82. ....	.....
83. ....	.....
	Sub-Total
9. Provision for Depreciation .....	.....
10. Debt Charges:	
101. Debenture Principal (Specify — Serial, Sinking Fund)	\$
102. Debenture Interest .....	.....
103. Other Long-Term Debt Charges (Specify — Principal, Interest) .....	.....
104. Other Debt Charges .....	.....
	Sub-Total
11. Total Expenditure	\$
12. Surplus for Year (Excess of Revenue over Expenditure) — Carried Forward to Gas Supply System Revenue Surplus (Deficit) Account, Exhibit 21 .....	.....
13. Grand Total Expenditure Section	\$

TRANSPORTATION SYSTEM
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19 ...
(Day) (Month)

EXHIBIT 22 (D)

REVENUE

1. Transportation:

11. Passenger \$
12. Freight
13. Mail
14. Other: (Specify)
 141.
 142.
 143.
Sub-Total \$

2. Miscellaneous Revenue: (Specify)

21. Waiting Room and Car Privileges \$
22.
23.
Sub-Total

3. Provided by General Revenue Fund from Tax Levy
.....

4. Total Revenue \$

5. Deficit for Year (Excess of Expenditure over Revenue)—Carried Forward
to Transportation System Revenue Surplus (Deficit) Account, Exhibit
21
.....

6. Grand Total Revenue Section \$

TRANSPORTATION SYSTEM STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (D)

EXPENDITURE

1. Administration and General	\$
2. Buildings, Plant and Equipment:	
21. Superintendence	\$
22. Maintenance of Buildings and Shop Equipment .....	.....
23. Maintenance of Vehicles .....	.....
24. Garage Operating Expenditures .....	.....
Sub-Total	.....
3. Traffic Promotion (Advertising, etc.) .....	.....
4. Transportation:	
41. Superintendence	\$
42. Operation of Buses .....	.....
Sub-Total	.....
5. Other—Exclusive of Depreciation and Debt Charges: (Specify)	
51.	\$
52. ....	.....
53. ....	.....
Sub-Total	.....
6. Provision for Depreciation .....	.....
7. Debt Charges:	
71. Debenture Principal (Specify—Serial, Sinking Fund)	\$
72. Debenture Interest .....	.....
73. Other Long-Term Debt Charges (Specify—Principal, Interest) .....	.....
74. Other Debt Charges .....	.....
Sub-Total	.....
8. Total Expenditure	\$
9. Surplus for Year (Excess of Revenue over Expenditure)—Carried Forward to Transportation System Revenue Surplus (Deficit) Account, Exhibit 21	
Sub-Total	.....
10. Grand Total Expenditure Section	\$

Note: Where a Transportation System operates a street railway and/or ferries as well as buses, items of revenue and expenditure may be subdivided between the different services.

TELEPHONE SYSTEM
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (E)

REVENUE

1. Telephone Service:

11. Subscribers and Renters \$
12. Private Branch Exchange
13. Private Lines
14. Long Distance Tolls
15. Other: (Specify)
 151.
 152.
 153.
Sub-Total \$

2. Miscellaneous Revenue: (Specify)

21. Pay Stations \$
22. Directory Advertising
23.
24.
Sub-Total

3. Provided by General Revenue Fund from Tax Levy
.....

4. Total Revenue \$

5. Deficit for Year (Excess of Expenditure over Revenue)—Carried Forward
to Telephone System Revenue Surplus (Deficit) Account, Exhibit 21
.....

6. Grand Total Revenue Section \$

**TELEPHONE SYSTEM
STATEMENT OF REVENUE AND EXPENDITURE**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (E)

EXPENDITURE

1. Administration and General	\$
 2. Buildings, Plant and Equipment:	
21. Maintenance	\$
22. Operation .....	.....
	Sub-Total
 3. Other—Exclusive of Depreciation and Debt Charges: (Specify)	
31.	\$
32. ....	.....
33. ....	.....
	Sub-Total
 4. Provision for Depreciation .....	.....
 5. Debt Charges:	
51. Debenture Principal (Specify—Serial, Sinking Fund)	\$
52. Debenture Interest .....	.....
53. Other Long-Term Debt Charges (Specify—Principal, Interest) .....	.....
54. Other Debt Charges .....	.....
	Sub-Total
 6. Total Expenditure	\$
 7. Surplus for Year (Excess of Revenue over Expenditure)—Carried Forward to Telephone System Revenue Surplus (Deficit) Account, Exhibit 21	

 8. Grand Total Expenditure Section	\$

CENTRAL HEATING
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (F)

REVENUE

1. Steam Sales:

11. Residential Sales \$
12. Commercial Sales
13. Industrial Sales
14. Sales to Public Authorities (Other than Own Municipality)
15. Sales to Own Municipality
16. Other: (Specify)
 161.
 162.
 163.
Sub-Total \$

2. Miscellaneous Revenue: (Specify)

21. \$
22.
23.
Sub-Total

3. Provided by General Revenue Fund:

31. General or Special Area Rates \$
32. Local Improvement Charges—Owners' Share
Sub-Total

4. Total Revenue \$

5. Deficit for Year (Excess of Expenditure over Revenue)—Carried Forward
to Central Heating Revenue Surplus (Deficit) Account, Exhibit 21

6. Grand Total Revenue Section \$

CENTRAL HEATING
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (F)

EXPENDITURE

1. Administration and General	\$
2. Customers' Billing and Collecting .....	.....
3. Steam Production:	
31. Maintenance	\$
32. Operation .....	.....
	Sub-Total
4. Distribution:	
41. Maintenance	\$
42. Operation .....	.....
	Sub-Total
5. Other—Exclusive of Depreciation and Debt Charges: (Specify)	
51.	\$
52. ....	.....
53. ....	.....
	Sub-Total
6. Provision for Depreciation .....	.....
7. Debt Charges:	
71. Debenture Principal (Specify—Serial, Sinking Fund)	\$
72. Debenture Interest .....	.....
73. Other Long-Term Debt Charges (Specify—Principal, Interest) .....	.....
74. Other Debt Charges .....	.....
	Sub-Total
8. Total Expenditure	\$
9. Surplus for Year (Excess of Revenue over Expenditure)—Carried Forward to Central Heating Revenue Surplus (Deficit) Account, Exhibit 21 .....	.....
10. Grand Total Expenditure Section	\$

AIRPORT STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19....
(Day) (Month)

EXHIBIT 22 (G)**REVENUE****1. Airport Facilities:**

11. Fees and Rentals	\$	
12. Repairs and Services		
13. Gas and Oil Sales		
14. Other: (Specify)		
141.		
142.		
143.		
	Sub-Total	\$

2. Miscellaneous Revenue: (Specify)

21. Waiting Room and Plane Privileges	\$	
22. Federal Government		
23.		
	Sub-Total	.....

3. Provided by General Revenue Fund from Tax Levy

4. Total Revenue \$

5. Deficit for Year (Excess of Expenditure over Revenue)—Carried Forward
to Airport Revenue Surplus (Deficit) Account, Exhibit 21

6. Grand Total Revenue Section \$

AIRPORT STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (G)

EXPENDITURE

1. Administration and General	\$
2. Flying Field and Hangars:	
21. Maintenance	\$
22. Operation .....	.....
	Sub-Total
3. Other Buildings and Equipment:	
31. Maintenance	\$
32. Operation .....	.....
	Sub-Total
4. Other—Exclusive of Depreciation and Debt Charges: (Specify)	
41.	\$
42. ....	.....
43. ....	.....
	Sub-Total
5. Provision for Depreciation .....	.....
6. Debt Charges:	
61. Debenture Principal (Specify—Serial, Sinking Fund)	\$
62. Debenture Interest .....	.....
63. Other Long-Term Debt Charges (Specify—Principal, Interest) .....	.....
64. Other Debt Charges .....	.....
	Sub-Total
7. Total Expenditure	\$
8. Surplus for Year (Excess of Revenue over Expenditure)—Carried Forward to Airport Revenue Surplus (Deficit) Account, Exhibit 21	

9. Grand Total Expenditure Section	\$

HOUSING
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (H)

REVENUE

1. Interest on Contracts Receivable	\$
2. Rentals .....	.....
3. Miscellaneous Revenue: (Specify)	
31.	\$
32. ....	.....
33. ....	.....
	Sub-Total
4. Provided by General Revenue Fund from Tax Levy .....	.....
5. Total Revenue	\$
6. Deficit for Year (Excess of Expenditure over Revenue)—Carried Forward to Housing Revenue Surplus (Deficit) Account, Exhibit 21 .....	.....
7. Grand Total Revenue Section	\$

Explanatory Notes:

This statement will be found self-explanatory if considered in conjunction with the general explanations on page 189, relating to utility revenue and expenditure accounts. It should be noted, however, that amounts due from purchasers for the repayment of principal on account of their contracts, mortgages or purchase agreements, as the case may be, should not be included as revenue; and that principal instalments or sinking fund requirements in respect of debentures or other capital debt should not be included as expenditures. Such transactions represent the repayment of capital in both instances and accordingly affect only the Housing Capital and Loan Fund Balance Sheet, being recorded through Statement of Source and Application of Housing Capital and Loan Funds and Housing Capital Surplus Account.

HOUSING
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (H)

EXPENDITURE

1. Administration and General	\$
2. Maintenance of Properties Repossessed .....	.....
3. Taxes on Properties Repossessed .....	.....
4. Other — Exclusive of Debt Charges: (Specify)	
41.	\$
42. ....	.....
43. ....	.....
	Sub-Total
5. Debt Charges:	
51. Debenture Principal (Specify — Serial, Sinking Fund) .....	.....
52. Debenture Interest .....	.....
53. Other Long-Term Debt Charges (Specify — Principal, Interest) .....	.....
54. Other Debt Charges .....	.....
	Sub-Total
6. Total Expenditure	\$
7. Surplus for Year (Excess of Revenue over Expenditure) — Carried Forward to Housing Revenue Surplus (Deficit) Account, Exhibit 21 .....	.....
8. Grand Total Expenditure Section	\$

Explanatory Notes:

Similarly, any amounts provided by the municipality out of tax levies to meet the current year's cash deficiency in respect of principal requirements on capital borrowings should not be included as revenue. The total of any such advances out of general revenue funds should be shown as a general revenue fund asset and the amount provided out of revenue fund budget appropriations shown as a reserve against such advances, unless the amounts advanced are considered unrealizable and written off when a corresponding adjustment should be made in the Housing Capital and Loan Fund Balance Sheet (Debit — Due to General Revenue Fund, and Credit — Allowance for Uncollectible Contracts Receivable) to bring the interfund accounts into balance.

PARKING AUTHORITY
STATEMENT OF REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (I)

REVENUE

1. Parking Facilities:

11. Fees and Rentals:
111. Parking Garages \$
112. Parking Lots \$
12. Other
Sub-Total \$

2. Miscellaneous Revenue: (Specify)

21. Privileges (advertising, etc.)
22.
23.
Sub-Total

3. Provided by General Revenue Fund:

31. Street Meter Revenue
32. General Rates
Sub-Total

4. Total Revenue \$

5. Deficit for Year (Excess of Expenditure over Revenue)—
Carried Forward to Parking Authority Revenue Surplus
(Deficit) Account (Exhibit 21)

6. Grand Total Revenue Section \$

**PARKING AUTHORITY
STATEMENT OF REVENUE AND EXPENDITURE**

For the Fiscal Year Ended 19
(Day) (Month)

EXHIBIT 22 (I)

EXPENDITURE

1. Administration and General	\$
2. Parking Garages:	
21. Maintenance	\$
22. Operation .....	.....
	Sub-Total
3. Parking Lots:	
32. Maintenance .....	.....
33. Operation .....	.....
	Sub-Total
4. Other— Exclusive of Depreciation and Debt Charges: (Specify)	
41. ....	.....
42. ....	.....
43. ....	.....
	Sub-Total
5. Provision for Depreciation .....	.....
6. Debt Charges:	
61. Debenture Principal: (Specify—Serial, Sinking Fund) .....	.....
62. Debenture Interest .....	.....
63. Other Long-Term Debt Charges: (Specify—Principal, Interest) .....	.....
64. Other Debt Charges .....	.....
	Sub-Total
7. Total Expenditure	\$
8. Surplus for Year (Excess of Revenue over Expenditure)—Carried Forward to Parking Authority Revenue Surplus (Deficit) Account (Exhibit 21).....	.....
9. Grand Total Expenditure Section	\$

PART 2

MUNICIPAL ACCOUNTING TERMINOLOGY

MUNICIPAL ACCOUNTING TERMINOLOGY

This section of the Municipal Finance Reporting Manual contains a glossary of municipal accounting terms and their definitions, which have resulted from the Dominion-Provincial Conferences on Municipal Statistics. It is based largely on the terminology prepared by the National Committee on Municipal Accounting, (now known as the National Committee on Government Accounting) and published by the Municipal Finance Officers Association of the United States and Canada. Appropriate terms and definitions applicable to the Canadian systems of reporting municipal finance were selected from this terminology and modified as felt necessary or desirable, and additional terms were added.

The Committee which initiated this work, being one appointed at the first (1937) Dominion-Provincial Conference on Municipal Statistics, consisted of: G.P. Gordon, Commissioner of Finance, City of Ottawa (Chairman); G.A. Lascelles, Executive Secretary, Treasury Department, City of Toronto; L. Jacobs, Inspector of Municipal Accounts, Saskatchewan; H.H. Walker, Department of Municipal Affairs, Toronto.

Following consideration of this Committee's interim report at the second Conference held in May 1940, a change in the personnel of the Committee was effected to round out all revisions and amendments before final adoption. The new Committee consisted of: G.P. Gordon, Commissioner of Finance, City of Ottawa (Chairman), and L. Jacobs, Director of Municipal Auditing and Accounting, Saskatchewan.

The original Municipal Accounting Terminology was published in 1942, following the third Conference held in December 1940.

Desirable revisions and additional terms to be included therein were considered at the 1947, 1948 and 1958 Conferences. In making these revisions reference was made also to the *Accounting Terminology for Canadian Practice* of the Dominion Association of Chartered Accountants, (now the Canadian Institute of Chartered Accountants), and in 1958 certain suggestions received from a committee of the Institute of Chartered Accountants of Ontario were adopted as modified. The revised Terminology is included in this publication to facilitate its understanding and use in relation to other parts of the Manual.

MUNICIPAL ACCOUNTING TERMINOLOGY

ABATEMENT

Reduction of a charge made for taxes or for services.

ACCOUNTABILITIES

Those items for which a person must render an account, although he may not be personally liable for them. For example, a trustee may have disbursed all funds confided to his care and so have relieved himself of liability, but he is still obliged to account for them, and the items are, therefore, accountabilities.

ACCOUNT NUMBER

See CODIFICATION *and* SYMBOLIZATION.

ACCOUNTS PAYABLE

Amounts due and owing on open account whether to other governmental bodies or to individuals, firms or corporations, but not including amounts due to other funds of the municipality.

See also ENCUMBRANCES.

ACCOUNTS RECEIVABLE

Amounts due and owing, on open account, whether by other governmental bodies, individuals, firms or corporations, but not including amounts due from other funds of the municipality.

ACCRUAL BASIS

When revenues are accounted for, when earned or due, even though not collected, and expenditures are accounted for as soon as liabilities are incurred, whether paid or not, the system of accounting is said to be on the accrual basis.

ACCRUE

(Verb) To record as revenue any or all taxes, licences, and other assessments and levies when due, other revenue when earned, and expenditure when incurred, notwithstanding that the receipt of the revenue or payment of the expenditure may take place, in whole or in part, in another accounting period.

ACCRUED ASSETS

Revenues earned but not yet due, such as unbilled utility sales accrued since the latest bills were rendered to customers, and accrued interest on investments.

ACCRUED EXPENDITURES

Expenditures that have been incurred up to a given date, but have not been paid and, in some cases, are not payable until a future date.

ACCRUED INCOME

See ACCRUED REVENUE.

ACCRUED LIABILITIES

Amounts representing expenditures applicable to a period up to and including a given date, but not yet payable, e.g., accrued interest on bonds or notes payable.

See also ACCRUED EXPENDITURES.

ACCRUED REVENUE

Revenue that has been earned up to or is due at a given date, but has not been collected.

ACCUMULATED DEPRECIATION

The accumulation of credits, usually through periodic charges to operations, to provide for wear and tear and obsolescence of a fixed asset. The allowance should be shown on the balance sheet as a deduction from the asset to which it relates.

NOTE: The practice of depreciating general fixed assets of a municipality is NOT recommended. However, fixed assets of utilities and some special activities should be shown in the individual balance sheets of those activities at cost and depreciated according to normal business practice.

ACTIVITY

A specific line of work carried on by a governmental unit in order to perform its functions, e.g., "food inspection" in connection with the function of "health conservation". There may also be internal activities such as "motor repairs", "storerooms", etc.

See also CHARACTER, FUNCTION, and OBJECT.

ACTUARIAL REQUIREMENTS FOR SINKING FUND DEBENTURES

The liability of the sinking fund to the capital fund calculated on an actuarial basis at the date of the balance sheet, being the amount which, with future instalments and interest, will provide for the retirement of the sinking fund debentures at their maturity.

ALLOTMENT

A portion of an appropriation or special fund set aside to cover expenditures and encumbrances for a certain period or purpose.

ALLOTMENT LEDGER

A subsidiary ledger containing an account with each allotment, showing the amount allotted, the expenditures, the encumbrances, and the unencumbered balance of each allotment.

See also APPROPRIATION LEDGER.

ALLOWANCE

The estimated loss on the collection of outstanding accounts or on the realization of disposable assets. An allowance should be shown in the balance sheet as a deduction from the asset to which it relates.

NOTE: Differs from a reserve (q.v.).

ALLOWANCE FOR UNCOLLECTIBLE TAXES

The estimated loss in the collection of outstanding taxes. The amount should be deducted from the uncollected taxes on the balance sheet.

AMORTIZATION

(1) Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

(2) Provision for the extinguishment of a debt by means of a sinking fund (q.v.).

ANNUITY DEBENTURES

See SERIAL DEBENTURES.

APPROPRIATION

(1) An authorization by the legislative body to make expenditures and incur liabilities for specific purposes.

NOTE: An appropriation is usually limited in amount and as to the time when it may be expended.

(2) The establishment of reserves (q.v.) within the balance sheet. Appropriation for reserves should be recorded in the revenue and expenditure statement, or if from surplus, in the surplus (deficit) account.

See also PROVISION.

APPROPRIATION BALANCE

See UNENCUMBERED BALANCE *and* UNEXPENDED BALANCE.

APPROPRIATION EXPENDITURES

Expenditures made from an appropriation.

APPROPRIATION LEDGER

A subsidiary ledger containing an account with each appropriation, showing the amount appropriated, the expenditures, the encumbrances, and the unencumbered balance of each appropriation; or if allotments are made and a separate ledger maintained therefor, the appropriations, the allotments, and unallotted balance of each appropriation.

See also ALLOTMENT LEDGER.

ASSESSED VALUATION

A valuation set upon real estate or other property as a basis for levying taxes.

ASSESSMENT

In general, the official act in determining the values as applied to property, business, income, etc.

ASSESSMENT ROLL

An official list showing the assessment valuation of each parcel of real property, and also the valuations of personal property, business, income, etc., in an assessment district, with descriptions of properties, and the names of all known owners or tenants and such other information as may be required by statute.

NOTE: There may be a combined assessment and tax roll.

ASSETS

The property of all kinds of a municipality, including both current assets and fixed assets.

NOTE: Conventionally, debit balances subject to final disposition, such as deferred charges and prepaid expenses, are classified as assets at closing periods, even though the stated values may not represent the realizable values.

AUDIT

In the absence of any expression defining the extent to which it has been limited, an audit is understood to be an examination of the subject matter of the accounting in all its financial aspects, including, so far as the several classifications of accounts may be involved, the verification of assets, liabilities, receipts, disbursements, revenues, expenditures, reserves, and surplus, and

their application, in such detail as may be necessary in the circumstances for each individual case, to permit certification of the statements rendered and of the accountability of the fiduciary parties.

AUDIT PROGRAM

A detailed description of work to be done in any given audit.

AUDITOR'S REPORT

A statement signed by the auditor stating that he has examined the accounting records and expressing his opinion, based on such examination, regarding the financial position of the municipality or any of its enterprises, the results from operations, and any facts that the auditor in his professional capacity has investigated. The report may or may not include the financial statements, depending on statutory requirements.

See also QUALIFIED REPORT and UNQUALIFIED REPORT.

BALANCE SHEET

A statement showing the financial position of a fund or government at a specified date, ordinarily prepared from books kept by double entry. If a single balance sheet is prepared for several funds, it may be in columnar or sectional form so as to exhibit the accounts of each fund individually.

BALANCE-SHEET AUDIT

A balance-sheet audit consists of the verification as of a given date, of the assets, liabilities, surplus, and all reserve accounts including, as incidental thereto, such examination of the operations as may be necessary to give credence to the stated financial condition. It does not include the detailed vouching of all receipts and disbursements or all details of revenues and expenditures, nor does it establish the accountability of the fiduciary parties, except broadly. It should be accompanied by a report stating the nature and extent of the verifications that have been made, drawing attention to any items requiring explanation or comment, and stating the opinion of the auditor as to the correctness or incorrectness of the statement submitted.

BOND

An instrument issued by a government or corporation as evidence of a debt or obligation. Such instrument issued by a municipality in Canada is generally called a debenture (q.v.) which term is preferable to bond.

BONDED DEBT

See DEBENTURE DEBT.

BONDED INDEBTEDNESS

See DEBENTURE DEBT.

BOND FUND

See DEBENTURE FUND.

BOOK VALUE

Value, as shown by books, regardless of whether such value is understated or overstated.

NOTE: In the case of assets that are being depreciated, book value refers to costs or stated value less the reserve for depreciation.

BOOKS OF ORIGINAL ENTRY

Those books in which the various entries are formally recorded for the first time usually for the purpose of distribution or summarization but always for the purpose of transfer to a book of final entry.

Memorandum books, cheque stubs, files of duplicate sales invoices, etc., whereon first or prior business notations may have already been made, are not books of first (original) entry in the accepted meaning of the term, unless they are also used as the mediums for direct posting to the ledgers.

BUDGET

An estimate of proposed expenditures for a given period or purpose and the means of financing them, as expressed in appropriation and revenue acts, by-laws, or resolutions.

BUDGETARY ACCOUNTS

Those accounts necessary to reflect budget operations and condition, such as estimated revenue, appropriations and encumbrances.

BUDGETARY CONTROL

The control or management of a governmental unit or enterprise in accordance with an approved budget with a view to keeping expenditures within the limitations of available appropriations or revenues.

BY-LAW

A regulation or law adopted by a municipal corporation for government in the conduct of its own affairs.

CALLABLE DEBENTURES

A type of debenture that permits the municipality to pay an obligation before the stated maturity date.

CAPITAL ASSETS

See FIXED ASSETS.

CAPITAL EXPENDITURES

Expenditures that result in the acquisition of or additions to fixed assets.

NOTE: Capital Expenditures on roads, streets and highways shall be deemed to include: (a) new construction; (b) acquisition of land and rights-of-way; (c) major improvements, such as elevating, surfacing, widening, etc. All other road, street or highway expenditure shall be considered "Maintenance" (q.v.).

CAPITAL SURPLUS

The excess of capital assets of a utility over capital liabilities and reserves. It represents the municipality's equity in the capital assets of the utility. The term should not be used in the Capital and Loan Fund balance sheet of the General Fund, or the Special Activity Funds.

See INVESTMENT IN CAPITAL ASSETS.

CASH

Money, including currency and other forms of exchange, on hand, or on deposit in a bank or other depository.

NOTE: All cash must be accounted for as a part of the fund to which it belongs. Any restrictions or limitations as to its availability should be indicated.

CASH AUDIT

An audit limited to the verifications of cash transactions for a stated period, for the purpose of determining that all cash received has been brought into account and that all disbursements are properly authorized and vouched. A cash audit is detailed in character but limited in scope. It is concerned with the sources of receipts and the nature of disbursements only to substantiate their accuracy. Such an audit establishes the accountability of the persons charged with responsibility for cash. A certificate may be given in appropriate form of a summary of the cash transactions for the period.

CASH BASIS

When revenues are accounted for only when received in cash, and expenditures are accounted for only when paid, the system of accounting is said to be on the cash basis.

CASH DISCOUNT

An allowance made on an account if paid within a stated period.

CERTIFICATE OF INDEBTEDNESS

See DEBENTURE.

CHARACTER

As applied to an expenditure classification, this term refers to the relationship of expenditures to current, prior, and future fiscal periods, i.e., whether the expenditure is an expense, provision for the retirement of debt, or a capital expenditure.

See also ACTIVITY, FUNCTION and OBJECT.

CODE

See CODIFICATION.

CODIFICATION

Numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals certain essentials. For example, the symbolization (q.v.) of accounts; numbering monthly recurring journal entries so that the numbers indicate the month and the nature of the entry; numbering invoices or vouchers so that the number reveals the date of entry.

See also SYMBOLIZATION.

COLLECTOR'S ROLL

See TAX ROLL.

COMMITMENTS

See ENCUMBRANCES.

CONTINGENT LIABILITIES

Items that may become direct liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal, unsettled disputed claims, unfilled orders, and uncompleted contracts.

CONTROL ACCOUNT

An account, usually kept in the General Ledger, which receives the aggregate of the debit and of the credit postings to a number of identical, similar or

related accounts called subsidiary accounts, so that its balance equals the aggregate of the balances in these accounts.

NOTE: It serves as a check upon the mathematical accuracy of the detail ledger account postings and frees the control ledger of a mass of detail.

See also GENERAL LEDGER *and* SUBSIDIARY ACCOUNTS.

COST LEDGER

A subsidiary record wherein each project, job, production centre, process, operation, product, or service is given a separate account whereto all items entering into its cost are posted in the required detail. Such accounts should be so arranged and kept that the results shown in them may be reconciled with and verified by a control account or accounts in the general books.

COST RECORDS

All ledgers, supporting records, schedules, reports, invoices, vouchers, and other records and documents reflecting the cost of a project, job, production centre, process, operation, product, or service.

COST UNIT

The quantity, or amount, that is selected to form a yardstick by means of which the cost of a given piece of work may be compared with a standard cost or with the cost of similar work. For example, a square yard of pavement or sidewalk.

DEBENTURE

A documentary promise to pay a specified sum of money, at a fixed time or times in the future, and carrying interest at a fixed rate payable at certain stipulated dates.

DEBENTURE DEBT

That portion of the indebtedness represented by issued and unmatured debentures (including debentures assumed). Preferred to BONDED DEBT or FUNDED DEBT.

DEBENTURE DISCOUNT

The amount by which the face value of a debenture is in excess of the price realized when it is sold.

DEBENTURE FUND

A fund established to receive and disburse the proceeds of a debenture issue.

DEBENTURE PREMIUM

The amount by which the price realized for a debenture when it is sold is in excess of the face value.

DEBENTURE REGISTER

A register showing the names and addresses of the holders, the face value of the principal amounts, and the maturity dates and numbers of the debentures registered in names of such holders.

DEBENTURES AUTHORIZED AND UNISSUED

Debentures which a municipality can issue without further proceedings other than to direct their sale.

DEBT

Anything owing by one person to another, including governmental bodies, firms or corporations.

DEBT CHARGES

The amount of money necessary annually to pay the interest on all debt, and the principal of long-term debt not payable from a sinking fund (q.v.) and to provide a fund for the redemption of debentures payable from a sinking fund.

DEBT LIMIT

The maximum amount of debt that a governmental unit may legally have outstanding.

DEBT SERVICE

See DEBT CHARGES.

DEFERRED ASSETS

See DEFERRED CHARGES *and* PREPAID EXPENDITURES.

DEFERRED CHARGES

Expenditures that are not chargeable to the period in which they were made, but are set up as assets that are to be amortized although they may have no market value or tangible existence. They may include such items as discount on bonds issued and other charges held in suspense until distribution is accomplished.

See also PREPAID EXPENDITURES.

DEFERRED CREDITS

See DEFERRED REVENUE.

DEFERRED EXPENDITURE

See DEFERRED CHARGES.

DEFERRED INCOME

See DEFERRED REVENUE.

DEFERRED REVENUE

Revenue that has been received, but is applicable to a future period.

DEFICIT

The excess of the liabilities (or obligations), reserves and allowances of a fund over its assets.

DEPRECIATION

Loss in value of fixed assets due to wear and tear and obsolescence.

NOTE: The practice of depreciating general fixed assets of a municipality is NOT recommended. Depreciation of fixed assets of utilities and some special activities should, however, be accounted for according to recognized commercial practice.

DETAILED AUDIT

One in which the examination extends to a verification of the details of all the books of account, including subsidiary records and all supporting vouchers, as to mathematical accuracy, complete accountability, and correctness of accounting principle.

DIRECT CHARGES

See DIRECT EXPENDITURES.

DIRECT DEBT

A debt that a municipal corporation has incurred in its own name and any debt assumed through the annexation of territory or otherwise.

DIRECT EXPENDITURES

Those expenditures that can be charged directly as a part of the cost of a product or service, or of a department or operating unit, as distinguished from overhead and other indirect costs which must be prorated among several products or services, or departments or operating units.

DISBURSEMENTS

Payments in cash.

DOUBLE ENTRY

A system of bookkeeping based on the accounting principle that every business transaction has a two-fold aspect and, therefore, a complete record is obtained by entering equal amounts to the debit of one or more accounts and to the credit of another account or accounts.

ENCUMBRANCES

Obligations in the form of purchase orders or contracts which are to be met from an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or approved for payment.

ENDOWMENT FUND

A trust fund whose principal must be maintained inviolate, but whose income alone may be expended.

ENTRY

The record of a financial transaction in its appropriate book of account. The act of recording a transaction upon the financial records.

EQUIPMENT

Physical property of a more or less permanent nature, other than land, buildings, or improvements to either of these. Examples are machinery, tools, trucks, cars, ships, furniture and furnishings.

EXHIBIT

A term used to designate principal statements so that they may be numbered for ready reference and for listing in a table of contents.

See STATEMENT *and* SCHEDULES.

EXPENDITURES

Charges incurred for all purposes, whether or not paid.

EXTRAORDINARY EXPENDITURES CAPITALIZED

Expenditures which, while financed out of capital borrowings and thereby not reflected in the general expenditure account, do not leave behind or result in the acquisition of any fixed or tangible asset, such as relief financing, accumulated deficits, special consumption or production bonuses or subsidies, emergencies occasioned by flood, famine, earthquake or explosion, capital grants to non-municipal institutions, such as hospitals.

FISCAL PERIOD

Any period at the end of which a municipality closes its books in order to determine its financial condition and the results of its operations.

NOTE: It is usually a year, though not necessarily a calendar year.

FIXED ASSESSMENT

A valuation for taxation purposes set at a fixed sum often for a fixed period of years.

FIXED ASSETS

Assets of a permanent character having continuing value, such as land, buildings, machinery furniture and other equipment.

NOTE: The term "fixed assets" denotes probability or intent to continue use or possession. It does not indicate the immobility of an asset, which is the distinctive characteristic of "fixture" (q.v.). The term "capital assets" is sometimes used in the same sense in utility balance sheets, but "fixed assets" is preferred in the general fund of a municipality.

In addition to the above types of fixed assets, there are also municipal improvements such as sewers, sidewalks, streets, etc.

See CAPITAL EXPENDITURES.

FIXED CHARGES

Those expenditures of the current period which are more or less inevitable and continuous. This term is also frequently used in the narrower sense to designate debt charges requiring to be met by by-law, such as debenture interest and principal.

FIXTURES

Attachments to buildings that cannot be removed without damage to the latter.

NOTE: Those fixtures with a useful life presumed to be as long as that of the building itself are considered a part of such building; all others are classed as equipment.

FORFEITURE

The automatic loss of cash or other property as a punishment for not complying with legal provisions and as compensation for the resulting damages or losses.

FRANCHISES

Exclusive privileges granted for a specific purpose which may involve the use of public property, such as city streets, and may involve the element of regulation.

FUNCTION

A classification of expenditure according to the purpose served or result attained, which facilitates understanding of the use made of funds as well as accounting and statistical comparisons.

See also ACTIVITY, CHARACTER, and OBJECT.

FUND

A sum of money or other resources (gross or net) set aside for the purpose of carrying on specific activities or attaining certain objectives in accordance

with special regulations, restrictions, or limitations. A fund is a distinct financial or fiscal entity.

FUND ACCOUNTS

All accounts necessary to set forth the operations and condition of a fund.

FUNDED DEBT

The same as DEBENTURE DEBT (q.v.), which is the preferred term.

FUNDED DEFICIT

A deficit eliminated through the sale of bonds issued for that purpose.

See EXTRAORDINARY EXPENDITURES CAPITALIZED.

GENERAL FUND—GENERAL REVENUE FUND—GENERAL CAPITAL AND LOAN FUND

See EXPLANATION OF FUND ACCOUNTING on Pages ix, x and xi.

GENERAL LEDGER

An accounting record containing accounts in which are recorded in detail or in summary all the transactions of the governmental unit for which such accounts are kept.

See also CONTROL ACCOUNT, SUBSIDIARY ACCOUNTS,
and SUBSIDIARY LEDGER.

GRANT-IN-AID

Revenue accruing as a contribution from another government or other source, which is to be expended on an agreed upon activity considered to be the responsibility of the receiving government, but not based on a specific share of the total cost of meeting the responsibility.

See SHARED-COST CONTRIBUTION and SUBSIDY.

GROSS BONDED DEBT

See GROSS DEBENTURE DEBT.

GROSS DEBT

The total debt without deductions.

GROSS DEBENTURE DEBT

The total amount of debenture debt without deductions.

See also DEBENTURE DEBT and NET DEBENTURE DEBT.

IMPREST FUND

A sum of money to be used for minor disbursements, the amount of the fund being fixed.

NOTE: The fund is reimbursed by other funds of the enterprise for payments made from it, the vouchers then being surrendered. At all times, the cash on hand, plus vouchers not reimbursed, should equal the fixed amount of the fund.

See also PETTY CASH.

INCOME

See REVENUE.

INDEPENDENT AUDIT

An audit made by an auditor not connected with the staff of the governmental unit whose accounts are being audited.

INDIRECT CHARGES

See OVERHEAD.

INDIRECT DEBT

A financial obligation not directly incurred by the municipal corporation but which the municipal corporation has agreed to meet should the issuer default.

INSTALMENT DEBENTURES

See SERIAL DEBENTURES.

INTER-FUND ACCOUNTS

Accounts made up of transactions between funds.

See also INTER-FUND TRANSFERS.

INTER-FUND TRANSFERS

Amounts transferred from one fund to another.

INTERNAL AUDIT

An audit made by persons on the staff of the governmental unit whose accounts are being audited.

NOTE: An internal audit is usually a continuous audit.

INTERNAL CHECK

An accounting method or procedure so designed that the work of one employee is complementary to that of another, thus providing a continuous audit by the employees on the accuracy of their accounting work.

INVENTORY

A detailed list showing quantities, descriptions, and values of property. It may also include units of measure and unit prices.

NOTE: The term is often confined to consumable supplies but may also cover fixed assets.

INVESTIGATION

A special examination of books and records.

NOTE: The proper use of the word "Investigation" in accountancy implies some particular object to be gained or particular result to be stated. It indicates something different from an audit and it is seldom necessary to qualify it by the addition of "special" or any similar adjective.

INVESTMENTS

Securities, including those issued by the governmental unit, in which money is invested either temporarily or permanently.

INVESTMENT IN CAPITAL ASSETS

The excess of assets (including deficits and extraordinary expenditures capitalized) over liabilities, reserves and allowances in the General Capital and Loan Fund, and in the Capital and Loan Funds of Special Activities. It represents the municipality's equity in general fixed assets.

INVOICE

A statement from a vendor setting forth details as to quantity, price, and other necessary particulars with reference to goods sold to a purchaser.

JOURNAL VOUCHER

A voucher provided for the recording of certain transactions or information supplementary to the journals or registers.

JUDGMENTS

Amounts due to be paid or collected by a government unit as the result of court decisions, including awards in payment for private property taken for public use.

LAPSE

(Verb) As applied to appropriations, it denotes termination of an appropriation.

NOTE: An appropriation is made for a certain period. At the end of this period it is said to lapse and the unencumbered balance thereof must be re-appropriated unless otherwise provided by law.

LEVY

(Verb) To impose taxes or special assessments.

(Noun) The total of taxes, special assessments or charges imposed by a governmental unit.

LIABILITIES

Debts or other legal obligations which must be liquidated in cash or renewed or refunded upon some future date.

NOTE: The item should include all obligations outstanding whether they have become due or not.

LOANS RECEIVABLE

Amounts owing but not necessarily due whether by other governmental bodies, individuals, firms or corporations, as a result of monies being loaned out of borrowed or other available funds (distinguish from accounts receivable (q.v.) which implies the supplying of goods or rendering of a service for which a charge is made without involving transfer of funds; and "advances receivable" which implies liability at a future date in respect of which payment is made in advance).

LOCAL IMPROVEMENTS

Works such as sewers, sidewalk pavements, roadways, etc., the costs of which may be borne in whole or in part by the benefiting properties.

LOCAL IMPROVEMENT DEBENTURES

Debentures issued for works undertaken as local improvements, the interest and maturing principal in connection with which are met, in accordance with the terms under which the debentures are issued, for the municipality's share from general tax levy, and the ratepayers' share from special assessment (q.v.).

LUMP SUM APPROPRIATION

An appropriation made for a stated purpose, or for a named department, without specifying further the amounts that may be spent for particular objects of expenditure, e.g., an appropriation for the police department that does not specify the amounts to be spent for salaries and wages, travel, equipment, etc.

MAINTENANCE

Expenditures made to keep physical properties in condition for use or occupancy.

NOTE: "Deferred" maintenance, and improvements of a major nature which have arisen from a lack of maintenance, should be included.

MUNICIPALITY'S SHARE OF LOCAL IMPROVEMENTS COSTS

The amount to be contributed by the municipality from general revenues, general bond issues, or from a special tax levy to cover that part of the cost of a local improvement considered to be of benefit to the community as a whole.

NET DEBENTURE DEBT

The gross debenture debt less the sinking funds or other funds set aside for the payment of that debt.

See also GROSS DEBENTURE DEBT.

NOTES PAYABLE

In general, an unconditional written promise signed by the maker, to pay a certain sum in money, at a fixed or determinable future time, either to the bearer or to the order of a person designated therein. Preferred to BILLS PAYABLE.

NOTES RECEIVABLE

Negotiable instruments of a promissory nature which are payable to a governmental unit, either directly or by endorsement. Preferred to BILLS RECEIVABLE.

NOTE: While in a legal sense, a note receivable may be merely a promise to pay and is not necessarily negotiable, the term "notes receivable" when used in a balance sheet, means negotiable notes that the holder has received in the course of business.

OBJECT

As used in an expenditure classification, it applies to the article purchased or the service obtained (as distinguished from the results obtained from expenditures), e.g., personal services, materials, supplies, and equipment.

See also ACTIVITY, CHARACTER, and FUNCTION.

OBLIGATIONS

Amounts that may be legally required to be met out of resources including unliquidated encumbrances.

OPTIONAL BONDS

See CALLABLE DEBENTURES.

ORDINANCE

See BY-LAW.

OVERDRAFT

The amount by which cheques, drafts, or other demands for payment on the treasury or on a bank exceed the amount of the credit against which they are drawn.

OVERHEAD

All those elements of indirect cost necessary in the production of an article or the performance of a service, which are of such nature that the amount applicable to each unit of product or service cannot be determined readily or

accurately. Usually they relate to those objects of expenditure that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, supervision, etc.

OWNERS' SHARE OF LOCAL IMPROVEMENTS

See RATEPAYERS' SHARE OF LOCAL IMPROVEMENTS.

PARTIAL AUDIT

A term used to describe (1) a special examination of some portion of a set of accounts or records or of all the accounts for an incomplete period, such work being the subject of specific instructions describing and limiting its extent; or (2) less exactly, a test of the detailed transactions made in conjunction with a balance-sheet audit.

PAY-AS-YOU-GO-PLAN

A plan of financing all current operating and capital expenditures out of current revenue as distinguished from financing by the sale of debentures.

PENSION FUND

A fund out of which pensions are to be paid to those entitled thereto either by agreement or arrangement.

PETTY CASH

A sum of money, either in the form of currency or a special bank deposit, set aside for the purpose of making change or immediate payments of comparatively small amounts for which it is subsequently reimbursed from the cash of a fund, on submission of supporting vouchers.

See also IMPREST FUND.

POSTING

The act of transferring to an account in a ledger the data, either detailed or summarized, contained in a book or document of original entry.

PRE-AUDIT

Examination and approval of accounts by an auditor before expenditures in connection with them are made.

PREPAID EXPENDITURES

Expenditures that have been entered in the accounts for benefits not yet received, such as prepaid rent, prepaid interest, and premiums on unexpired insurance.

See also DEFERRED CHARGES.

PREPAYMENT OF TAXES

The system of depositing with a municipality sums of money to be applied to the taxes of the depositor when such taxes are levied.

PROJECT

A unit of construction work the cost of which is accounted for separately from other work. It is usually financed by budget appropriations, by special assessments, or by bond issues.

PROVISION

The establishment of an allowance (q.v.) for estimated loss on outstanding accounts receivable or on the realization of disposable assets. Provision should be recorded in the revenue and expenditure statement.

See also APPROPRIATION.

PURCHASE ORDER

A document executed by a municipality authorizing a vendor to deliver specified merchandise and to make a charge therefor.

QUALIFIED REPORT

An auditor's report in which the auditor states he has not verified certain items or is unable to do so, or that in his opinion the statements do not accurately or fully reflect actual conditions, or that the information furnished him is not considered sufficient to enable him to reach a conclusion.

RATEPAYERS' SHARE OF LOCAL IMPROVEMENTS

That portion of the cost of local improvement works met by special assessment against the owners of properties specially benefiting from such improvements. The remaining portion is met by the ratepayers at large in the general tax levy, or in some cases, by adjoining municipalities where benefited.

REBATES

Abatement (q.v.) or refund (q.v.).

RECEIPTS

What is actually received in cash.

RECONSTRUCTION AND REHABILITATION

Alterations so extensive as to go beyond reasonable conception of repairs and improvements (including rearrangements and alterations). Rehabilitation also may be described as expenses to restore or improve buildings or equipment purchased in a run-down condition.

RECOVERABLES

Disbursements made for or on behalf of another governmental unit, fund, or department, or for a private individual, firm, or corporation, which will subsequently be recovered.

NOTE: These are not the same as Grants-in-Aid and Shared-Cost Contributions (q.v.).

REFUND

(Noun) An amount paid back or credit allowed on account of an over-collection.

(Verb) To pay back or allow credit for an amount on account of an over-collection.

(Verb) To provide for the payment of a loan through cash or credit secured by a new loan.

REFUNDING DEBENTURES

Debentures issued to retire debentures already outstanding or in default. The refunding debentures may be sold for cash and outstanding debentures or debentures in default, redeemed in cash, or the refunding debentures may be exchanged with holders of outstanding debentures or debentures in default.

REGISTERS

Records for the consecutive entry of a certain class of events, documents, or transactions, with a proper notation of all the required particulars.

NOTE: The form of a register for accounting purposes varies from a one-column to a multicolumnar sheet of special design whereon the entries are distributed, summarized, and aggregated, usually for convenient posting to the accounts.

REIMBURSEMENT

Cash or other assets received as a repayment of the cost of work or services performed, or of other disbursements made for or on behalf of another governmental unit, fund, or department.

REPAIRS

Usually a part of maintenance (q.v.).

REPLACEMENTS

Expenditures made to replace a part or all of a fixed asset. If the expenditure does not increase the original value of the asset, it is a part of maintenance (q.v.). If it increases the original value of the asset, it is a capital expenditure (q.v.) to the extent of the increase.

REPORT

(Noun) A written or verbal formal statement (q.v.).

(Verb) To make, prepare, or present a written or verbal formal statement.

REQUISITION

A demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

RESERVE

An amount on the credit side of the balance sheet appropriated or provided for undetermined future losses on assets, future expenditures, working capital or contingencies. The appropriation or provision for a reserve would appear in the revenue and expenditure statement or in the statement of surplus as required or permitted by statute.

NOTE: Differs from Allowance and Reserve Fund. (q.v.).

RESERVE FOR DEPRECIATION

See ACCUMULATED DEPRECIATION.

RESERVE FOR FUTURE EXPENDITURE

(a) A reserve for estimated future expenditures for the renewal or replacement of fixed assets.

(b) A reserve for other future expenditures.

RESERVE FOR RETIREMENT OF SINKING FUND DEBENTURES

See ACTUARIAL REQUIREMENTS for SINKING FUND DEBENTURES.

RESERVE FOR UNCOLLECTED TAXES

A reserve created by an appropriation or a provision in the yearly estimates for taxes which will not be collected during the year but which it is expected will be collected in the future. The reserve should be shown on the credit side of the balance sheet.

RESERVE FUND

A fund established with its own set of accounts to segregate corporation moneys which may be used for specific purposes only, which are not trust moneys in that they belong to the municipality. Funds transferred to reserve funds from other funds should be recorded in revenue and expenditure statements as contributions to reserve funds.

REVENUE

The amounts earned by a municipal body or fund together with the amounts to which such body or fund becomes entitled, other than by borrowing, which may be used to meet its expenditures, but not including recoveries of expenditures.

See also ACCRUAL BASIS and CASH BASIS.

REVENUE DEBENTURES

Debentures to be paid from earnings, usually those of a municipally owned utility, or special activity for payment of which the revenues and possibly the properties of the enterprise are pledged.

REVOLVING FUND

A fund provided to carry out a cycle of operations. The amounts expended from the fund are restored thereto from the income of the operation or by transfers from other funds, so that it is always intact, either in the form of cash, receivables, or inventory.

See WORKING FUND.

SCHEDULES

(a) Explanatory or supplementary statements which accompany principal statements.

(b) Detailed lists or statistical tables of financial or other information.

SECURITIES

Bonds, debentures, notes, mortgages, or other forms of negotiable or non-negotiable instruments.

See also INVESTMENTS.

SERIAL DEBENTURES

Debentures that are redeemable by instalments over the life of the issue. When the amortization is such that equal, or approximately equal, instalments of combined interest and principal are paid each year, the debentures so retired are known as serial annuity debentures.

SHARED-COST CONTRIBUTION

Revenue accruing as a contribution from another government or other source, which is to be expended on some agreed upon activity considered to be the responsibility of the receiving government, and based on a specific share of the total cost of meeting the responsibility.

See GRANT-IN-AID and SUBSIDY.

SINKING FUND DEBENTURES

Debentures issued for the repayment of which a sinking fund is provided.

SINKING FUND

A fund established by periodical instalments or otherwise, which, along with the increment thereon, is to provide for the retirement of the principal of sinking fund debentures and of other debentures specified to be retired from sinking funds.

SINKING FUND REQUIREMENTS

The amount needed to be placed periodically or otherwise in the sinking fund so that the accumulation thereof together with the earnings thereon will be sufficient to redeem sinking fund debentures as they mature.

NOTE: The amount required to be set aside should be established on a pre-determined actuarial basis.

See ACTUARIAL REQUIREMENTS for SINKING FUND DEBENTURES

SINKING FUND RESERVE

*See SINKING FUND REQUIREMENTS and ACTUARIAL REQUIREMENTS
for SINKING FUND DEBENTURES.*

SPECIAL ACTIVITY FUND

A fund established to finance the construction, operation and maintenance of a municipally owned health, welfare, recreational or community service institution which is administered and accounted for separately from the general funds.

SPECIAL ASSESSMENT

A charge imposed by a government upon the owners of a selected group of properties to defray, in whole, or in part, the cost of a specific improvement or service which is presumed to be of special benefit to the owners of such properties.

NOTE: Such charges may sometimes be paid by the occupant or tenant of the property.

SPECIAL ASSESSMENT ROLL

The list showing the amount levied against each parcel of property benefited by an improvement, or against which the cost of a service rendered is assessed.

SPECIAL AUDIT

An audit made for any purpose other than the verification or certification of statements of account presented according to regular procedure at the close of an accounting or fiscal period. Such an examination may be one where specially exhaustive attention is given to detail, or it may, on the other hand, be a sketchy examination of some limited feature of the accounts. An interim or periodical audit made in regular course, however, is not a special audit.

SPECIAL FUND

Any fund that must be used in accordance with specific regulations and restrictions.

STATEMENT

A form of presentation of financial information,

See EXHIBIT and SCHEDULES.

STORES

Goods on hand subject to requisition.

SUBSIDIARY ACCOUNTS

A group of related accounts supporting a control account.

NOTE: A typical example is found in the account with the consumers of power and water, which are usually kept in subsidiary ledgers, the total balances of which must equal the balances in the control account in the General Ledger.

See also CONTROL ACCOUNT and SUBSIDIARY LEDGER.

SUBSIDIARY LEDGER

An accounting record containing accounts, called subsidiary accounts, in which are recorded in detail identical, similar, or related transactions. The accounts in the subsidiary ledger support in detail the debit and credit summaries recorded in a control account in the General Ledger relating to the same activity or object as the subsidiary accounts.

See also CONTROL ACCOUNT and SUBSIDIARY ACCOUNTS.

SUBSIDY

Revenue accruing as a contribution from another government or other source, as assistance towards maintaining general municipal governmental services without being related in any way to a specific activity for which the receiving government is responsible.

See GRANT-IN-AID and SHARED-COST CONTRIBUTION.

SUBVENTION

A grant-in-aid (q.v.).

SUPERANNUATION FUND

See PENSION FUND.

SURPLUS

The excess of assets over liabilities, reserves and allowances.

SUSPENSE FUND

A fund established to set aside and account separately for certain cash receipts pending the distribution or disposal thereof.

SYMBOLIZATION

The assignment of letters, numbers, or other marks or characters to the ordinary titles of the ledger accounts. Each letter, or number, should have the same meaning wherever used and should be selected with great care so that it will indicate immediately and with certainty the title of the account as well as its place in the classification. The use of proper symbols saves much time and space in making the book record and adds to its precision and accuracy.

See also CODIFICATION.

TAX ANTICIPATION NOTES

Notes (sometimes called "warrants") issued in anticipation of collection of taxes.

TAX ARREARS

All taxes due and outstanding, excluding unpaid taxes of the current year.

TAX LIENS

Claims which governmental units have upon properties until taxes levied against them have been paid.

TAX PREPAYMENT CERTIFICATES

Certificates issued in prepayment of taxes (q.v.) and sold at present worth on an authorized discount basis. These certificates may be presented, and accepted at face value, in payment of the taxes they were purchased to liquidate on the date set for payment of such taxes, or at any time thereafter.

TAX ROLL

The list showing the amount of taxes levied against each taxpayer or property. Also called collector's roll or rate roll.

NOTE: The tax roll and assessment roll (q.v.) are sometimes combined.

TAXES

Compulsory charges levied by a governmental unit against the income or wealth of persons, natural or corporate, for the common benefit of the residents of all or part of the governmental unit.

TAXES RECEIVABLE

An asset account representing the uncollected portion of taxes which a governmental unit has levied.

TEMPORARY LOANS

Borrowings, under proper authority, for general purposes, until taxes are collected, and for capital undertakings until debentures are sold.

See also TAX ANTICIPATION NOTES.

TEST CHECK

A check in which, instead of auditing every item in an account, or in a record, for an entire period under review, certain items are selected and completely checked. If no errors be found, the examination is regarded as warranting the assumption that those items in the accounts which have not been checked are also correct.

TRANSFER VOUCHER

A voucher prepared to authorize transfers of cash or other resources between funds.

TRIAL BALANCE

A list of the balances of all ledger accounts, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal, the ledger from which the figures are taken is said to be "in balance".

TRUST

A trust is the conveyance or assignment of property or funds to a person called the trustee in confidence that he will deal with it according to the terms of the trust. The property so conveyed is called a "trust fund" or is said to be "in trust".

TRUST FUND

A fund consisting of resources received and held by the municipality as trustee to be expended or invested in accordance with the conditions of the trust.

UNEARNED REVENUE

See DEFERRED REVENUE.

UNENCUMBERED ALLOTMENTS

See UNENCUMBERED BALANCE.

UNENCUMBERED APPROPRIATION

See UNENCUMBERED BALANCE.

UNENCUMBERED BALANCE

That portion of an appropriation or allotment not yet expended or encumbered.

UNEXPENDED APPROPRIATION

See UNEXPENDED BALANCE.

UNEXPENDED BALANCE

That portion of an appropriation or allotment which has not been expended.

UNIT COST

The cost of a unit of product or service. For example, the cost of a square yard of pavement, or of a ton of asphalt.

UNLIQUIDATED ENCUMBRANCES

Encumbrances that have not yet been paid or approved for payment.

See also ENCUMBRANCES.

UNQUALIFIED REPORT

An auditor's report in which the auditor states that the accounts referred to in the report are, in his opinion, correct and reflect accurately the conditions or the transactions or results shown.

UTILITY FUND

A fund established to finance the construction, operation, and maintenance of municipally owned utilities.

VOUCHER

A document evidencing a certain transaction, certified and approved, especially a written form attesting the propriety of the payment of money; also an invoice properly certified and approved.

VOUCHER CHEQUE

A voucher cheque combines the distinguishing marks of a voucher and a cheque; it shows the propriety of a payment and is an order for the payment thereof.

WORK IN PROCESS

The cost of partially completed products manufactured or processed in the service departments, such as a partially completed printing job. The term is not synonymous with WORK IN PROGRESS.

WORK IN PROGRESS

The cost, at a given date, of construction work on a project not yet completed.

WORK ORDER

A form issued to one responsible for the performance of a particular job, indicating the nature and location of the job, specifications of the work to be performed, and a job number which is referred to in reporting the amount of labour, materials, and equipment used.

WORK UNIT

See COST UNIT.

WORKING CAPITAL FUND

See WORKING FUND *which is preferred to* WORKING CAPITAL FUND *in Municipal accounting.*

WORKING FUND

A fund established to finance activities, usually of a manufacturing or service nature, such as shops and garages, asphalt plants, and central purchases and stores departments. Sometimes called a revolving fund (q.v.).

PART 3

ASSESSMENT, AREA, POPULATION AND ROAD AND STREET STATISTICS

ASSESSED VALUATIONS OF REAL PROPERTY

SCHEDULE A

Classification	Assessed Valuations of				
	All Properties (Gross)	Properties Wholly Exempt from Taxation (Gross)	Properties which may be Taxed		
			Gross Valuations	Maximum Valuations which may be Taxed	Valuations Taxed for General Purposes
(1)	(2)	(3)	(4)	(5)	(6)
1. Land	\$	\$	\$	\$	\$
2. Buildings and Improvements
3. Total Real Property	\$	\$	\$	\$	\$

Explanatory Notes: (Schedule A)

This schedule should include, in column (2), the gross assessed valuation of all land, buildings, and other improvements to land. (Do not include streets, roads and alleys, or water area which is not assessed.) This gross value is that value which the assessor normally determines as the assessed value, or as the basis for calculation of the assessment where properties are not taxed on the full value. It should be entered here whether or not the property is liable for taxation, and whether or not the property is taxed on this valuation. Figures in this column would be the sum of those in columns (3) and (4).

In column (3) should be entered the gross assessed valuation of all properties exempted from taxation by federal or provincial statute; that is the properties listed in the classification section of Schedule C, page 300. Properties exempted by the municipality itself by resolution, by-law or agreement, should not be included; nor should streets, roads and alleys.

Column (4) should show the gross assessed valuation of all properties which may be taxed whether they are or are not taxed. It would contain, therefore, the full assessed value of all properties other than those exempted by federal or provincial statute. It should include valuations or portions thereof not taxed by the municipality: (1) where a fixed assessment or fixed tax has been granted (the actual gross value should be entered here, not that on which the tax is based); (2) where there is no taxation of buildings or improvements, but these could be taxed (are not exempt by federal or provincial statute); (3) where only a percentage of the gross assessed valuation is taxed (both taxed and untaxed portions should be entered as one figure).

Column (5) provides for the entry of the maximum portion of the gross assessed values on which taxes may be levied, as in those cases where this is fixed at a percentage of the gross assessed valuation: (i.e., when it is provided that buildings and improvements shall be taxed on a percentage of the actual value). Where there is no such provision, the amount shown in this column would be the same as that in column (4).

In column (6) should be entered the assessment figure on which taxes are actually calculated. In most cases this would be the same as column (5). However, it may be a lesser figure, as in British Columbia municipalities, where buildings and improvements are often assessed at less than the maximum permitted, or in Ontario where agreements have been made to assess housing developments at a percentage of actual value for a number of years. Where columns (4) and (5), or (5) and (6), or (4), (5) and (6) would contain the same figures, these may be found combined in the reporting statements.

Fixed assessments should be shown hereunder at the amount agreed upon. Where a fixed assessment has been granted at a figure less than the maximum assessment, the assessment on which taxes are levied should be considered as applying first against the land, up to the maximum assessment thereof, then against buildings or improvements. If the fixed assessment is on a business property in a province where a business tax is levied, it may be that the total assessed value of the property will exceed the real property assessment. The amount of assessment over and above the value of the real property should not be entered in this table, but as business assessment, in Schedule B, "Assessments on which Taxes are Levied".

Figures in column (6) should be carried to the Real Property section of Schedule B.

Examples:

- (i) Property assessed for \$10,000.00, its full value and taxed on that assessment, should be entered in columns (2), (4), (5) and (6) at \$10,000.00.
- (ii) Buildings assessable at 66⅔ p.c. of value and valued at \$10,000.00 should be entered in column (4) at \$10,000.00 and in columns (5) and (6) at \$6,666.66.
- (iii) Buildings or improvements taxable, but not taxed should be entered in columns (2), (4) and (5) at full assessed value, or if assessed at a percentage, column (5) should show the reduced value while no figure would be entered in column (6).
- (iv) In British Columbia cities, where buildings may be taxed on an assessment at any figure up to 75 p.c. of value and elsewhere when a similar procedure is followed, a \$10,000.00 valuation taxed on 30 p.c. of value should be entered as follows: columns (2) and (4), \$10,000.00, column (5), \$7,500.00, column (6), \$3,000.00.
- (v) A fixed assessment of \$25,000.00 on property assessed at \$15,000.00 for land and \$20,000.00 for buildings should be entered as follows: columns (2), (4) and (5), \$35,000.00, column (6), land \$15,000.00, buildings \$10,000.00; total \$25,000.00.
- (vi) Where there is a business tax, a fixed assessment of \$50,000.00 for taxation purposes on a business property assessed at \$20,000.00 for land and \$20,000.00 for buildings and \$20,000.00 for business would show at a total of \$40,000.00 in columns (2), (4), (5) and (6), of Schedule A. The additional \$10,000.00 would not appear in this Schedule but would be reflected in Schedule B as business assessment, item 2.
- (vii) Where the tax, rather than the assessment, is fixed, the assessment figures should be entered in columns (2), (4) and (5), and the valuation taxed, calculated from the tax and the mill rates, should be entered in column (6).
- (viii) Where there are housing exemptions on a sliding scale, the full value should be entered in columns (2), (4) and (5), with the value taxable for the year in column (6).
- (ix) A federal property, exempt from taxation by statute, and valued at \$50,000.00 would be entered only in columns (2) and (3), at that figure.
- (x) Saskatchewan and Alberta farm buildings and improvements valued at \$10,000.00 but exempt from assessment and taxation by statute, would be entered only in columns (2) and (3) at \$10,000.00.

ASSESSMENTS ON WHICH TAXES ARE LEVIED

SCHEDULE B

Classification	Valuations Taxed for General Purposes	Deduct Valuations not Liable for School Taxes	Add Valuations Liable for School Taxes only	Valuations Taxed for School Purposes	Details of Valuations Taxed for School Purposes	
					Public	Separate
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Real Property:						
11. Land	\$	\$	\$	\$	\$	\$
12. Buildings and Improvements
Total Real Property.....
2. Business
3. Income
4. Other
Total Taxed Valuations	\$	\$	\$	\$	\$	\$

Explanatory Notes: (Schedule B)

This table provides for the classification of all assessments on which taxes are levied. Those of Real Property should be carried to column (2) of this table from column (6) of Schedule A. The columnar breakdown analyses these assessments to determine valuations taxed for school purposes, column (5), by the deduction of valuations not liable for school taxes, column (3), and by the addition of valuations liable for school taxes only, column (4), when these instances occur. Columns (6) and (7) permit a breakdown of column (5) between public and separate schools in those provinces which maintain a dual school system.

**ASSESSED VALUATIONS OF PROPERTY WHOLLY
EXEMPT FROM TAXATION BY STATUTE**

SCHEDULE C

Classification (1)	Land (2)	Buildings and Other Improvements (3)	Total (4)
1. Government Property:			
11. Dominion Government:			
111. Utilities and Enterprises—e.g., Crown Corporations:			
1111. Property on which payments in-lieu-of taxes are made*	\$	\$	\$
1112. Property on which payments in-lieu-of taxes are not made
112. Other Dominion Government Property:			
1121. Property on which payments in-lieu-of taxes are made
1122. Property on which payments in-lieu-of taxes are not made
Total Dominion Government Property
12. Provincial Government:			
121. Utilities and Enterprises—e.g., Crown Corporations:			
1211. Property on which payments in-lieu-of taxes are made
1212. Property on which payments in-lieu-of taxes are not made
122. Other Provincial Government Property:			
1221. Property on which payments in-lieu-of taxes are made
1222. Property on which payments in-lieu-of taxes are not made
Total Provincial Government Property
13. Municipal and Other Local Government:			
131. Municipal Utilities
132. Special Activities
133. School Corporations
134. Special District Authorities
135. Tax Sale Properties
136. Other Municipal Government Property
Total Municipal Government Property
Total Government Property	\$	\$	\$
2. Non-Government Property:			
21. Industrial and Business Enterprises
22. Private Schools, Colleges and Universities
23. Private Property used for Charitable and Welfare Purposes
24. Property used for Religious Purposes
25. Other (Specify)
Total Non-Government Property	\$	\$	\$
Grand Total Government and Non-Government Exemptions — Schedule "A", Column (3)	\$	\$	\$

* Where payments are made under an agreement separate from the "Municipal Grants Act".

Explanatory Note:

This reporting schedule has as its purpose the presentation of information on the assessed valuations of property which is not taxable because of provisions in Dominion or provincial statutes which state that it may not be taxed. Ideally it should show the value of all properties which for these reasons are not taxed, but this is not possible, as some types of property are exempt from assessment as well as from taxation, such as farm buildings in one western province.

Dominion Government and Provincial Government properties are each to be divided into two categories: (1) those which are held through crown corporations, or boards or commissions, which operate government utilities and enterprises, and (2) other government property, being all that held and used in conjunction with the ordinary functions of government.

Each of the above categories of both Dominion Government and Provincial Government properties should in turn be divided into: (a) those on which payment in-lieu-of taxes are made and (b) those on which such payments are not made. This separates exempt properties which yield no revenue to a municipality from exempt properties which do yield revenue. Such revenue, of course, is not taxation revenue to be reported under item 1 of the Revenues in the General Revenue Fund, Exhibit 10 (Form 25 on page 86), but rather contributions to be reported under item 8 of the same Exhibit.

Dominion Government utilities and enterprises by which payments in-lieu-of taxes may be made on their properties are such ones as Canadian National Railways, Trans-Canada Airlines, Bank of Canada, Central Mortgage and Housing Corporation, Canadian Broadcasting Corporation, National Harbours Board, and other such commercial corporations. These payments are usually made pursuant to agreements made with municipalities, and such agreements are separate from the *Municipal Grants Act* under which statutory payments are made on some general federal properties (other Dominion Government property).

Provincial Government utilities and enterprises by which payments in-lieu-of taxes may be made on their properties are such ones as liquor control boards, power authorities, telephone systems, etc., and these should be shown separately from any payments made on general provincial properties (other Provincial Government property). All such payments should be reported under item 8 of Exhibit 10 (Form 25 on page 86).

Municipal property exempt from taxation should be subdivided as to Utilities, Special Activities, Tax Sale Property, Other Municipal, School Authorities, and Special District Authorities.

EXEMPTIONS FROM TAXATION OF REAL PROPERTY
WHICH MAY BE TAXED

SCHEDULE D

Classification	Partial Statutory Exemptions	Permissive Exemptions	Total
(1)	(2)	(3)	(4)
1. Land	\$	\$	\$
2. Buildings and Improvements
Total Real Property	\$	\$	\$

Explanatory Notes: (Schedule D)

This reporting schedule is intended to show the detail and total of exemptions which arise from the taxation of real property on less than the gross assessed valuation, and the exemption of properties from taxation by municipalities. The information is determined from Schedule A.

Column (4) is the total of columns (2) and (3), and represents the total of both statutory and permissive exemptions of real property which is taxable, or taxed in some part. No assessed valuation of property wholly exempt from taxation by statute should be entered here. These belong in Schedule C.

Partial Statutory Exemptions: This type of exemption results from statutes which in one say or another state that certain classes of property shall be taxed at a percentage only of full value — in other words, of gross assessed value. If the assessment act of one province requires both building and land to be assessed at full value, while that of another requires that land be assessed at full value and buildings at two thirds of full value, then one third of the value of buildings in the second province is statutorily exempt from taxation.

Column (2) consists of the amounts shown in column (4) of Schedule A less those in column (5) of Schedule A.

Permissive Exemptions: This type of exemption arises out of municipalities taxing on less than the gross assessment or maximum valuation which may be taxed, as the case may be, whether on all property, or all specific types of property, or whether by the direct process of granting partial, fixed or tax free assessments to specific industries, housing developments, etc.

Column (3) consists of the amount shown in column (5) of Schedule A less those in column (6) of Schedule A.

From Schedule A, therefore, it is possible to obtain the exemptions resulting from each factor. Schedule D was designed to set these out by themselves in order that they might be more easily recognized, and as a check on Schedule A.

AREA – IN ACRES

SCHEDULE E

1. Land Area (Including Streets, Roads and Alleys):

11. Assessed Land Which May be Taxed .....	.....
(from Assessment Roll Returned) on	19
(Day) (Month)	
12. Land Exempt from Taxation (Excluding Streets, Roads and Alleys)	
121. Public Parks and Playgrounds .....	.....
122. Other .....	.....
Total Assessed Land Exempt from Taxation .....	.....
13. Streets, Roads and Alleys (Not Assessed) .....	.....
Total Land Area .....	.....

2. Water Area (Not Otherwise Included):

21. Water Area Assessed for Taxation .....	.....
22. Water Area Exempt from Taxation .....	.....
Total Water Area .....	.....

Grand Total Land and Water Area

Explanatory Notes: (Schedule E)

The land area classified in item 1 (11) would then be that for which assessment figures are shown in column (4) of Schedule A, "Assessed Valuations of Real Property", and the land area in item 1 (12) would be that for which assessment figures are shown in column (3) of Schedule A. If the area of item 1 (13) Streets, Roads and Alleys, is not known, it may be determined by deducting the total of the area in items 1 (11 and 12) from the total land area of the municipality as determined by survey (or otherwise). Similarly, water area, if not known, may be determined by deduction of the total land area of the municipality from the total area contained within its legal boundaries.

Item 1, Land Area:

Included, hereunder, should be shown the area of all land in the municipality, including minor water areas which are assessed as part of the land.

Item 1 (11) of this table should include all land on the assessment roll on which taxes are levied, whether or not all of it is taxed. that is, all land for which the assessment is shown in column (4) of Schedule A, "Assessed Valuations of Real Property".

Item 1 (12) should include the land area of the municipality which is not taxable, due to exemption by federal or provincial statute, the assessment of which is shown in column (3) of Schedule A.

Item 1 (13) should, therefore, comprise the remaining land area of the municipality, and if not known, may be calculated by deducting the total area of items 1 (11) and 1 (12) from the total land area of the municipality as determined by survey.

Item 2, Water Area (not otherwise included):

Hereunder should be included all water area shown separately in the assessment roll, and all water area not assessed which is within the boundaries of the municipality, unless already included as part of land area.

Item 2 (21) should include water area assessed as such in the assessment roll, which is taxable, i.e., shore lines, harbour fronts, water lots, beaches, marsh areas and small lakes. It should not include small streams, ponds, or lakes which are assessed as part of the land on which situated.

Item 2 (22) should include all water area within the legal boundaries of the municipality which is either not assessed, or assessed and not taxable, i.e., rivers, canals, lakes, bays, etc. Where these cut through, or are located wholly within a municipality, the whole water area should be shown. Where they constitute the boundary between two municipalities, only the water area within the legal boundaries of the municipality should be tabulated by it. Municipalities fronting on international bodies of water, such as the Great Lakes, should exclude all water area from the shoreline to the international boundary.

POPULATION

SCHEDULE F

	Day	Month	Year	No. of Persons
1. As per Assessment Roll.....
2. Other Estimates (Specify basis):				
21.
22.

Municipal population figures are obtained in some provinces by a yearly count or census, which may be made by the assessors while they make the assessment, or by the compilers of the municipal voters' list.

In other provinces estimates are made, based on various factors. In reporting estimates, the basis of the estimate should be specified.

The following instructions on counting and estimating municipal populations are included to guide municipal officials who are responsible for supplying population figures:

Where an actual count of population is made, as during assessment or compilation of municipal voters' list, it should be governed by the following definitions:

Time of Count. The census count is made as of a certain moment of time — in the case of the last Dominion-wide census, June 1, 1956. The shorter the period taken by anyone else counting, the more comparable his results will be with the census. Since it may be impracticable for assessors to carry out their work as quickly as census enumerators, it is suggested that the following rules be applied at the moment of calling at each household.

Resident Population. Persons are counted at their place of usual residence. Broadly this means that it is the night-time residential population of a municipality which is to be counted; persons who move about are to be considered as residents of that place which comes nearest to being their permanent home.

No Permanent Home. Persons having no permanent home (such as those living in missions, hotels, construction camps, etc.) are to be counted as within the municipality where they are found. The assessors should note separately the number of such transients as he encounters them on his round.

Persons Away From Home. Any person who happens to be temporarily absent from home whether on business or for pleasure is to be included in the count of his home municipality. Any members of the household being assessed who are away at college, who are away as casual patients in hospital, who are temporarily away in a lumber camp or construction camp, are to be counted. On the other hand, any member of the family who is absent as a nurse-in-training is not to be counted at the home of her family but at the nurses' residence or other place of domicile.

Armed Forces. Persons in the active armed forces in Canada are included with the population of the military camp or barracks where they are stationed, unless they sleep regularly outside the camp with their families or as lodgers in

a private dwelling. Civilians who sleep regularly in the camp or barracks are also included with camp population. Persons in the active forces overseas are counted with the population at their usual place of residence in Canada.

Visitors and Hotel Population. Persons staying temporarily at hotels, lodging houses, with relatives or friends, etc., are not to be counted at such places if they have some other usual or permanent home. Hotel guests and employees who have no permanent home are to be counted as the hotel population.

Servants and Other Employees. Household servants, labourers or other employees are to be counted with the households of their employers if and only if they sleep on the premises.

Boarders and Lodgers. Persons who board in one place and lodge in another are to be included in the population of the place where they sleep, following the general rule.

Institutions Other than Medical Hospitals. The assessor must include a count of all the persons who are present in those institutions where people usually stay for long periods of time. Such institutions include prisons, gaols, penitentiaries, reformatories, almshouses, mental hospitals, homes for orphans, soldiers, the blind, the deaf and dumb, incurables, or the feeble-minded.

Hospitals. Casual patients in ordinary hospitals are not to be counted when the assessor is covering the hospital, since they will be counted at their homes. All persons having their permanent home in the hospital, or having no other home, be they patients, nurses, caretakers, etc., and including all nurses-in-training, are to be counted as the population of the hospital.

Diplomatic Service. Persons in the diplomatic service of other countries at embassies, legations, etc., in Canada, are not counted in the resident population unless they happen to be Canadian citizens such as household employees, etc.

Summer Cottagers. Under the rules for counting the resident population, summer cottagers are not to be counted where they are spending the summer unless this is their only home. They are to be taken in the city where their year-round home is; the city assessor who finds a house temporarily closed may obtain the information on usual number of residents from neighbours.

Where no actual count of population is made, and it is, therefore, to be estimated:

The method of carrying out a count of population in a municipality that will give results broadly comparable with those of the census has been specified in some detail. In many municipalities, it will not be possible to make such a count and some kind of an estimate will be required in order that the picture of local population may be completed for the country.

Where consideration of expense or convenience make an actual count impracticable, an estimate of the total for the municipality by the municipal clerk or other responsible official is required. In making this estimate, he shall note (1) the population at last census, (2) the rate of growth which the town has shown in the period between the last and second last censuses, (3) the general opinion on whether the municipality is increasing or declining, (4) any knowledge of new jobs made available through setting up of new industries or the extension of old ones and conversely, the falling off in employment due to decline in industrial activity within the municipality, (5) known building of new dwellings.

In making estimates from these various factors, some guidance is offered by current labour force figures. In the Dominion as a whole at the present time there are one and one-half persons not in the labour force for each person who is in. In each household in the country as a whole at the present time there are four persons.

SEWER AND WATER MAIN MILEAGE

SCHEDULE G

- | | |
|--------------------------|-------|
| 1. Storm Sewers ..... | ..... |
| 2. Sanitary Sewers ..... | ..... |
| 3. Water Mains ..... | ..... |

MUNICIPAL ROAD AND STREET MILEAGES, EXPENDITURES AND GRANTS

(CLASSIFICATIONS DERIVED IN PART FROM ROAD AND STREET
CLASSIFICATION OF CANADIAN GOOD ROADS ASSOCIATION)

RURAL MUNICIPALITY ROAD MILEAGE

Open for Traffic on or before December 31, 19

SCHEDULE V

By Surface Type

Surface Type	Secondary Highways	Local Roads	Local Streets	Improved Lanes and Alleys	Develop- ment Roads	Total Mileage
— Miles —						
Rigid Pavement:						
Concrete surface
Bituminous surfaced concrete base....
Flexible Pavement:						
High cost
Low cost (mulch, retread or penetra- tion)
Gravel:						
Surface treated (primed or sprayed)....
Surface untreated
Total Surfaced Road
Earth(exclude unused road allowances)
Total Road Mileage

Note: If actual data are not available, please estimate the mileages as closely as possible.

DEFINITIONS

Urban: Any incorporated or unincorporated place of 1,000 population or more and all parts of census metropolitan areas or other major urban areas.

Rural: Areas not included in the definition of Urban Areas.

Rural Roads

- | | |
|--|---|
| 1) Secondary Highways: | Routes connecting smaller communities or feeding primary highways. |
| 2) Local Roads and Streets: | Roads and streets providing access to properties and serving traffic essentially local in character. |
| 3) Development Roads: | Roads to open up undeveloped areas, such as mining, forest or tourist regions. The justification for these roads is based on the prospective economic development of the area. |
| 4) Primary Highways (to be reported by provincial authorities only): | Provincial, interprovincial and international routes of provincial or national importance. Such highways normally serve large volumes of intercity traffic or connect important economic regions. |

Surface Type

Rigid Pavement

- 1) Concrete Surface: Portland cement concrete pavement.
- 2) Bituminous Surfaced Concrete Base: Portland cement concrete base, coarse or old portland cement concrete capped with a surface of sheet asphalt or bituminous concrete.

Flexible Pavement

- 1) High Cost: Plant mixed sheet asphalt or bituminous concrete.
- 2) Low Cost: Road mixed asphalt surface, or bituminous surface treatment consisting of liquid asphalt and stone chips.

Gravel

Surface Treated Gravel (primed and sprayed): Gravel surface treated with liquid asphalt as a dust palliative or dust binder.

RURAL MUNICIPALITY ROAD EXPENDITURES

For the year ended December 31, 19

SCHEDULE W

	Second- ary High- ways	Local Roads	Local Streets	Improved Public Lanes and Alleys	Develop- ment Roads	Bridges	Side- walks and Foot- paths	Total
	— Dollars — (omit cents)							
A. Road Expenditure:								
(1) Capital Expenditure: ¹								
New Construction .....	.....	.....	.....	.....	.....	.....	.....	.....
Reconstruction .....	.....	.....	.....	.....	.....	.....	.....	.....
Sub-total .....	.....	.....	.....	.....	.....	.....	.....	.....
(2) Repairs, Maintenance and Administration: ²								
Repairs and Minor Improve- ments .....	.....	.....	.....	.....	.....	.....	.....	.....
Maintenance .....	.....	.....	.....	.....	.....	.....	.....	.....
Snow Clearing, Sanding, etc. ....	.....	.....	.....	.....	.....	.....	.....	.....
Administration	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	.....
Sub-total .....	.....	.....	.....	.....	.....	.....	.....	.....
Total Road Expenditure .....	.....	.....	.....	.....	.....	.....	.....	.....
B. Expenditure to Other Munici- palities³ .....	.....	.....	.....	.....	.....	.....	.....	.....
C. Joint Expenditure⁴ .....	.....	.....	.....	.....	.....	.....	.....	.....
D. Grants-In-Aid and Shared-Cost Contributions:								
(1) For Capital Expenditure:								
from Dominion Government ⁵ ..	.....	.....	.....	.....	.....	.....	.....	.....
from the Province .....	.....	.....	.....	.....	.....	.....	.....	.....
from Other Municipalities ⁶ ..	.....	.....	.....	.....	.....	.....	.....	.....
from Other Sources ⁷ .....	.....	.....	.....	.....	.....	.....	.....	.....
Sub-total .....	.....	.....	.....	.....	.....	.....	.....	.....
(2) For Repairs and Maintenance:								
from Dominion Government...	.....	.....	.....	.....	.....	.....	.....	.....
from the Province .....	.....	.....	.....	.....	.....	.....	.....	.....
from Other Municipalities ⁶ ..	.....	.....	.....	.....	.....	.....	.....	.....
from Other Sources ⁷ .....	.....	.....	.....	.....	.....	.....	.....	.....
Sub-total .....	.....	.....	.....	.....	.....	.....	.....	.....
Total Grants-In-Aid and Shared- Cost Contributions .....	.....	.....	.....	.....	.....	.....	.....	.....

Footnotes:

- ¹ Expenditure (application of funds for construction of roads) as reported in item 3 of Schedule 11 (Form 18 on page 58).
- ² Expenditure on roads, as reported in item 3-31 of expenditure in Exhibit 10 (Form 25 on page 87).
- ³ Expenditure, included in A in the form of a share of the cost of boundary roads constructed or maintained by another municipality, but jointly owned.
- ⁴ A joint expenditure is, in this instance, an expenditure made as a share of the cost of roads and streets being built by some special authority which retains ownership thereof, such as an Ontario Suburban Roads Commission. A municipality's expenditure from general revenue would appear in item 14 of the expenditure in Exhibit 10 (Form 25 on page 87), and from debenture funds, in item 6 of Exhibit 7 (Form 17 on page 53).
- ⁵ Including shared-cost contributions from the Railway Grade Crossing Fund, which should be separately identified.
- ⁶ Receipts from another municipality contra to B in another municipality's expenditure records. If for capital expenditure, it would appear on the records under item 10-103 of the source side of Exhibit 7 (Form 17 on page 52). If for repairs and maintenance, it would be netted against expenditure to arrive at the figure shown in item 3-31 of expenditure in Exhibit 10 (Form 25 on page 87).
- ⁷ Revenue from other sources, such as contributions by railways towards grade separations, mining and logging companies towards development roads, and oil companies and cottagers towards access roads.

URBAN STREET MILEAGE

Open for Traffic on or before December 31, 19....

SCHEDULE X

By Surface Type

Surface Type	Primary Highway Connections	Secondary Highway Connections	Major Urban Thoroughfares	Local Streets	Improved Lanes and Alleys	Total
— Miles —						
Rigid Pavement:						
Concrete surface
Bituminous surfaced concrete base
Flexible Pavement:						
High cost
Low cost (mulch, retread or penetration)
Gravel:						
Surface treated (primed or sprayed)
Surface untreated
Other surfaces (describe)
Total Surfaced Mileage
Earth (exclude unused road allowances)
Total Street Mileage	=====	=====	=====	=====	=====	=====

DEFINITIONS

Urban: Any incorporated or unincorporated place of 1,000 population or more and all parts of census metropolitan areas or other major urban areas.

Rural: Areas not included in the definition of Urban Areas.

Urban Streets

- | | |
|-----------------------------------|---|
| 1) Primary Highway Connections: | Urban routes designated as connections of primary highways. |
| 2) Secondary Highway Connections: | Urban routes designated as connections of secondary highways. |
| 3) Major Urban Thoroughfares: | Streets other than designated highway connections connecting major sections of an urban area. |
| 4) Local Streets: | All other streets. |

Surface Type

Rigid Pavement:

- Concrete Surface: Portland cement concrete pavement.
- Bituminous Surfaced Concrete Base: Portland cement concrete base, coarse or old portland cement capped with a surface of sheet asphalt or bituminous concrete.

Flexible Pavement:

- High Cost: Plant mixed sheet asphalt or bituminous concrete.
- Low Cost: Road mixed asphalt surface, or bituminous surface treatment consisting of liquid asphalt and stone chips.

Gravel:

Surface Treated Gravel (primed or sprayed): Gravel surface treated with liquid asphalt as dust palliative or dust binder.

URBAN STREET MILEAGE

Open for Traffic on or before December 31, 19

By Street Type

SCHEDULE Y

Street Type	Primary Highway Connections			Secondary Highway Connections		
	Rigid Pavement	Flexible Pavement	Other Surface Types	Rigid Pavement	Flexible Pavement	Other Surface Types
— Miles —						
Two lanes
Three lanes
Four lanes—not divided
divided
Six lanes—not divided
divided
Other (describe)
Total
Major Urban Thoroughfares			Local Streets			
	Rigid Pavement	Flexible Pavement	Other Surface Types	Rigid Pavement	Flexible Pavement	Other Surface Types
— Miles —						
Two lanes
Three lanes
Four lanes—not divided
divided
Six lanes—not divided
divided
Other (describe)
Total

Number of miles of controlled access streets included above:

Street Type	Miles
Three lanes
Four lanes — not divided
divided
Six lanes — not divided
divided
Other (describe)
Total

Note: If actual data are not available, please estimate the mileages as closely as possible.

DEFINITIONS

Controlled Access

A road on which abutting property owners have no right, or only a limited right, of direct access and on which the type and location of all access connections are determined and controlled by the highway authorities.

URBAN STREET EXPENDITURES

For the year ended December 31, 19

SCHEDULE Z

	Primary Highway Con- nections	Second- ary Highway Con- nections	Major Urban Thorough- fares	Local Streets	Improved Public Lanes and Alleys	Bridges	Side- walks and Foot- paths	Total
	— Dollars — (omit cents)							
A. Street Expenditure:								
(1) Capital Expenditure: ¹								
New Construction .....	.....	.....	.....	.....	.....	.....	.....	.....
Reconstruction .....	.....	.....	.....	.....	.....	.....	.....	.....
Sub-total .....	.....	.....	.....	.....	.....	.....	.....	.....
(2) Repairs, Maintenance and Administration: ²								
Repairs and Minor Improve- ments .....	.....	.....	.....	.....	.....	.....	.....	.....
Maintenance .....	.....	.....	.....	.....	.....	.....	.....	.....
Snow Clearing, Sanding, etc. ....	.....	.....	.....	.....	.....	.....	.....	.....
Administration	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	.....
Sub-total .....	.....	.....	.....	.....	.....	.....	.....	.....
Total Street Expenditure .....	.....	.....	.....	.....	.....	.....	.....	.....
B. Expenditure to Other Muni- cipalities³ .....	.....	.....	.....	.....	.....	.....	.....	.....
C. Joint Expenditure⁴ .....	.....	.....	.....	.....	.....	.....	.....	.....
D. Grants-In-Aid and Shared-Cost Contributions:								
(1) For Capital Expenditure:								
from Dominion Government ⁵ .....	.....	.....	.....	.....	.....	.....	.....	.....
from the Province .....	.....	.....	.....	.....	.....	.....	.....	.....
from Other Municipalities ⁶ .....	.....	.....	.....	.....	.....	.....	.....	.....
from Other Sources ⁷ .....	.....	.....	.....	.....	.....	.....	.....	.....
Sub-total .....	.....	.....	.....	.....	.....	.....	.....	.....
(2) For Repairs and Maintenance:								
from Dominion Government....	.....	.....	.....	.....	.....	.....	.....	.....
from the Province .....	.....	.....	.....	.....	.....	.....	.....	.....
from Other Municipalities ⁶ .....	.....	.....	.....	.....	.....	.....	.....	.....
from Other Sources ⁷ .....	.....	.....	.....	.....	.....	.....	.....	.....
Sub-total .....	.....	.....	.....	.....	.....	.....	.....	.....
Total Grants-In-Aid and Shared- Cost Contributions .....	.....	.....	.....	.....	.....	.....	.....	.....

Footnotes:

¹ Expenditure (application of funds for construction of streets) as reported in item 3 of Schedule 11 (Form 18 on page 58).

² Expenditure on streets, as reported in item 3-31 of expenditure in Exhibit 10 (Form 25 on page 87), but not including expenditure incidental to installation or repair of storm or sanitary sewers, gas and water mains, underground wiring, etc.; that is, expenditure chargeable to any service other than streets.

³ Expenditure, included in A, in the form of a share of the cost of boundary streets constructed or maintained by another municipality, but jointly owned.

⁴ A joint expenditure is, in this instance, an expenditure made as a share of the cost of roads and streets being built by some special authority which retains ownership thereof, such as an Ontario Suburban Roads Commission. A municipality's expenditure from general revenue would appear in item 14 of the expenditure in Exhibit 10 (Form 25 on page 87), and from debenture funds in item 6 of Exhibit 7 (Form 17 on page 53).

⁵ Including shared-cost contributions from the Railway Grade Crossing Fund, which should be separately identified.

⁶ Receipts from another municipality, contra to B in another municipality's expenditure records. If for capital expenditure, it would appear in the records under item 10-103 of the source side of Exhibit 7 (Form 17 on page 52). If for repairs and maintenance, it would be netted against expenditure to arrive at the figure shown in item 3-31 of expenditure in Exhibit 10 (Form 25 on page 87).

⁷ Revenue from other sources, such as contributions by railways towards grade separations.

PART 4

FINANCIAL STATEMENTS OF MUNICIPAL SUPERANNUATION OR PENSION FUNDS

MUNICIPAL SUPERANNUATION OR PENSION FUNDS

Financial statements for reporting Municipal Superannuation or Pension Funds were adopted by the Dominion-Provincial Conferences on Municipal Statistics held in 1947 and 1948. As superannuation or pension plans for municipal employees were being widely adopted by municipal administrations it was felt that there was a need for having uniform reports and information on their finances and operations.

These accounting forms have been designed and included herein to aid municipal superannuation or pension authorities in their financial reporting. It should be noted that the purpose is the reporting of the condition and transactions of the fund itself, and that therefore these statements should appear separately from the municipal statements as such. The form and content of the principal statements required are included herein. The Trust and Agency Funds section would reflect only assets of the pension or superannuation fund which may have been placed in the hands of the municipality for safekeeping.

If it be considered desirable to elaborate on these forms, more detail may be given, and a statement of receipts and payments such as recommended for Sinking Funds may be drawn up and presented.

There are two methods under which superannuation or pension plans, exclusive of those which are insurance or government annuity contracts only, may be operated by municipalities. These two methods are:

Firstly, operation on an actuarial basis, with an actuarial pension reserve maintained and adjusted annually through surplus account for the amount of contributions and interest added to the fund at the actuarially determined rates, and for pensions and refunds. Surplus and deficit items therefore are required both in the income and expenditure statement and in the balance sheet, and also a statement showing reconciliation of the changes in balance sheet surplus or deficit.

A variation of this first type of operation involves a fund balance actuarially determined, as well as interest credits and contributions, it being adjusted at regular or irregular periods, by transfers to or from surplus, to the amount calculated necessary to meet future pension commitments.

Secondly, operation on a fund basis, the fund balance being the net amount available to meet all liabilities including pensions and refunds. While surplus and deficit items are required in the income and expenditure statement, the fund balance, as shown in the balance sheet, serves as both surplus and deficit item. Therefore a statement showing reconciliation of the fund balance is required.

**MUNICIPAL SUPERANNUATION OR PENSION FUND
BALANCE SHEET**

MUNICIPAL SUPERANNUATION OR PENSION FUND BALANCE SHEET

As at 19
(Day) (Month)

ASSETS

1. Cash	\$
2. Investments (Issued or Guaranteed By):	
21. Dominion Government	\$
22. Provincial Governments:	
221.	\$
222. ....	.....
223. ....	.....
Sub-Total .....	.....
23. Municipal Governments (Excluding Own) .....	.....
24. Own Municipality .....	.....
25. School Corporations .....	.....
26. Other: (Specify)	
261.	\$
262. ....	.....
Sub-Total .....	.....
Sub-Total .....	.....
3. Accrued Interest on Investments .....	.....
4. Contributions Receivable: (Specify)	
41. Municipal Contributions	\$
42. Provincial Contributions .....	.....
43. Employees' Contributions .....	.....
Sub-Total .....	.....
5. Other Assets: (Specify)	
51. Cash with Trust or Other Depositaries	\$
52. Interest Due and Unpaid .....	.....
53. Investments Matured and Unpaid .....	.....
54. ....	.....
Sub-Total .....	.....
6. Deficit — Municipal Superannuation or Pension Fund Surplus	
(Deficit) Account .....	.....
Total Assets	\$

MUNICIPAL SUPERANNUATION OR PENSION FUND BALANCE SHEET

As at 19
(Day) (Month)

LIABILITIES

1. Bank Overdraft	\$
 2. Accounts Payable and Other Liabilities: (Specify)	
21. Due to Municipality	\$
22. ....	.....
23. ....	.....
	Sub-Total
 3. Actuarial Pension Reserve:*	
31. Contributed by Municipality	\$
32. Interest on Municipal Contributions .....	.....
33. Contributed by Province .....	.....
34. Interest on Provincial Contributions .....	.....
35. Contributed by Employees in Service .....	.....
36. Interest on Contributions by Employees in Service .....	.....
37. Contributed by Employees on Pension .....	.....
38. Interest on Contributions by Employees on Pension .....	.....
	Sub-Total
 4. Superannuation or Pension Fund Balance*	
 5. Other Reserves: (Specify)	
51.	\$
52. ....	.....
	Sub-Total
 6. Surplus — Municipal Superannuation or Pension Fund Surplus (Deficit)	
Account .....	.....
 Total Liabilities	 \$

* Use 3 or 4, whichever is applicable. See introduction on page 319.

**MUNICIPAL SUPERANNUATION OR PENSION
FUND**

BALANCE SHEET

ASSETS

1. The balance of cash on hand or on deposit in the superannuation or Cash pension fund which has not been invested.

2. Bonds, debentures, stock or other securities in which monies deposited Investments in the superannuation or pension fund have been invested. These should be classified according to the detail shown in the balance sheet after the same procedure as used in classifying sinking fund investments. (See page 197 for detailed explanation.)

3. Interest earned during the fiscal period which is not due or payable until a date in the next succeeding fiscal period. In other words, this item represents the amount of interest accrued on investments unmatured, for the period from the last interest due date to the close of the fiscal period. Interest due and unpaid on unmatured and on matured debentures should be included under item 6. Accrued Interest on Investments

4. Contributions from the municipality or municipal utility activity or other authority, from the province (where applicable) and from employees, which were due during the fiscal period, but had not been received by the end of the fiscal period. The name and amount due from each group should be shown separately. Contributions Receivable

5. Assets of superannuation or pension fund other than those specifically provided for, the exact nature of which should be specified in the balance sheet. Cash deposits with a trust company or other depositaries which are trust or guaranteed should be included here and *not* under item 1. Also include here Interest Due and Unpaid on Investments Unmatured, Investments Matured and Unpaid, and Interest Unpaid on Investments Matured, all of which are explained on page 198 in relation to the Sinking Fund Balance Sheet. Other Assets

6. Where the fund is on an actuarial basis (that is, where an actuarial reserve is established and maintained), the amount by which the Actuarial Pension Reserve and other liabilities and reserves exceed the assets of the superannuation or pension fund. There will be no deficit or surplus item where the fund reserve is maintained as an item of the liabilities, as that item there reflects the condition of the fund. Deficit

LIABILITIES

1. The amount by which the bank account for current operations is over- Bank drawn, usually to meet pension payments pending liquidation of investments. Overdraft

2. Amounts due and owing which are payable out of the cash and other resources of the superannuation or pension fund, including pensions and lump sum settlements due but unpaid, and refunds due but unpaid. Any amounts due to the municipality should be specified. Accounts Payable and Other Liabilities

3. The amount of cash and other resources that *should be on hand* in the superannuation or pension fund at the close of the fiscal period; in other words, the *actuarial* requirements of the fund.* Actuarial Pension Reserve

* Use 3 or 4, whichever is applicable. See introduction on page 319.

If the information is desired, the total of item 3 may be broken down to show the following detail:

Contributed by the Municipality
Interest on Municipal Contributions
(To include contributions by municipal
utilities and special activities)

Contributed by the Province
Interest on Provincial Contributions
(Where applicable)

Contributed by Employees in Service
Interest on Contributions by Employees in Service

Contributed by Employees on Pension
Interest on Contributions by Employees on Pension.

**Super-
annuation
or Pension
Fund
Balance**

4. The net amount accumulated out of contributions and earnings to the credit of the superannuation or pension fund and available for the payment of benefits.*

**Other
Reserves
(Specify)**

5. Amounts set aside out of surplus funds of the superannuation or pension fund, such as for possible losses which may arise from the redemption or liquidation of investments or other assets of the fund for amounts less than the book values.

Surplus

6. Where the fund is on an actuarial basis (that is, when the reserve is established and maintained as in item 3 above), the amount by which the assets of the superannuation or pension fund exceed the actuarial reserve, other reserves and other liabilities of the fund. There will be no surplus or deficit item where the fund reserve is maintained as in item 4 above, as that item then reflects the condition of the fund.

* Use 3 or 4, whichever is applicable. See introduction on page 319.

**MUNICIPAL SUPERANNUATION OR PENSION FUND
STATEMENT OF SURPLUS (DEFICIT)
(FOR USE WHEN FUND IS ON AN ACTUARIAL BASIS)**

**MUNICIPAL SUPERANNUATION OR PENSION FUND
STATEMENT OF SURPLUS (DEFICIT)**

(For Use When the Fund is on an Actuarial Basis)

For the Fiscal Year Ended 19
(Day) (Month)

	Debit	Credit	Balance
1. Balance of Surplus (or Deficit) at Beginning of Year.....	\$	\$	\$
2. Adjustments Affecting Operations of Previous Years (Specify)			
.....	
.....	
3. Balance after Above Adjustments
4. Transfer to Actuarial Reserve from Surplus, of Contributions for the Year plus the Actuarially Required Amount of Interest
The following detail may be presented if required:			
Municipal Contributions for the Year.			
Interest on Accumulated Municipal Contributions at Required Rate.			
Provincial Contributions for the Year.			
Interest on Accumulated Provincial Contributions at Required Rate.			
Employees' Contributions for the Year.			
Interest on Accumulated Employees' Contributions at Required Rate.			
Interest on Accumulated Contributions of Employees on Pension at Required Rate.			
5. Transfer to or from the Actuarial Reserve, upon Periodic Readjustment of Actuarial Requirements, of the Amount Required to Properly Adjust the Reserve (Where required when such procedure is followed)
6. Other Transactions Affecting Surplus (Specify)			
.....	
.....	
7. Balance after Above Adjustments
8. Transfer, from the Actuarial Reserve to Surplus, of an Amount Equal to Expenditures During the Year for Pensions and Refunds
The following detail may be presented if required:			
Pensions.			
Refunds of: Municipality's Share			
Province's Share			
Employees' Share.			
9. Surplus (or Deficit) for the Year under Review—Brought Forward from Revenue and Expenditure Statement
10. Balance of Surplus or Deficit at End of Year — Carried to Superannuation or Pension Fund Balance Sheet
11. Totals of Debit and Credit Columns	\$	\$	

**MUNICIPAL SUPERANNUATION OR PENSION FUND
STATEMENT OF SURPLUS (DEFICIT)**

(For Use when the Fund is on an Actuarial Basis)

The purpose of this statement is to show the changes during the fiscal year in the superannuation or pension fund surplus (or deficit); thus it actually represents an analysis, in condensed form, of the ledger account.

1. The balance of the account at the beginning of the year, the amount of which would be shown in either the debit or credit column, as the case may be.

2. Adjustments directly affecting operations of previous years are to be shown under this item. Such may arise from accounting or other errors. Only the net result of entries of a similar character should be shown.

3. Extend the balance of the account after giving effect to adjustments shown under item 2.

4. The amount of contributions to the fund during the fiscal period, at the required rates, together with interest on accumulated contributions at the interest rate specified, both as actuarially determined to be those required to maintain the solvency of the fund. Also, opposite this item extend the balance of the account.

5. Where the pension reserve to be maintained is actuarially determined, as well as the rates of contributions and interest earnings credited, show here the amount transferred from or to surplus, at such periodic intervals as required, to adjust the reserve to the proper amount. Such entries are not required when the reserve is maintained as in item 4 of the liabilities in the Municipal Superannuation or Pension Fund Balance Sheet, without requirement that the reserve itself be actuarially adjusted. If required or found desirable, the detail shown may be given opposite this item. Also, extend the balance of the account.

6. Transactions affecting surplus, other than adjustments relating to operations of previous years, to contributions and interest, or to pensions and refunds, which should be summarized according to character and *only the net result of similar transactions* shown in the statement.

7. Extend the balance of the account after giving effect to adjustments shown under item 6.

8. Pensions and refunds having been met out of income during the year, this entry is required to reimburse surplus for the total amount of such expenditures, which, in the final analysis, are a charge against the reserve fund already established to meet them. If required or found desirable the detail shown may be given. Also, opposite this item extend the balance of the account.

9. The Surplus (credit) or Deficit (debit) for the current fiscal year. The amount shown here should agree with either item 7 of the expenditure section or item 8 of the revenue section, respectively, as shown in the Municipal Superannuation or Pension Fund Revenue and Expenditure Statement, page 335.

10. The balance of the account at the close of the year should be extended opposite this item; and in addition it should be entered in either the debit or credit column as the case may be, so as to bring the totals of each into agreement. This balance should agree with the amount shown under item 6 of the assets or item 6 of the liabilities, as the case may be, in the Municipal Superannuation or Pension Fund Balance Sheet, page 321.

**MUNICIPAL SUPERANNUATION OR
PENSION FUND ACCOUNT**

MUNICIPAL SUPERANNUATION OR PENSION FUND ACCOUNT
[Reconciliation of Fund Balance (Contributions with Accumulated Interest)
where the Fund is not on an Actuarial Basis]

For the Fiscal Year Ended 19
 (Day) (Month)

	Debit	Credit	Balance
1. Fund Balance at Beginning of Year	\$	\$	\$
2. Adjustment Affecting Operations of Previous Years: (Specify)			
.....	
.....	
3. Balance after above Adjustments
4. Other Transactions Affecting Fund Balance: (Specify)			
.....	
.....	
5. Surplus or Deficit for the Year Under Review — Brought Forward from Revenue and Expenditure Statement	
6. Fund Balance at End of Year — Carried Forward to Superannuation or Pension Fund Balance Sheet
7. Total of Debit and Credit Columns	\$ <u> </u>	\$ <u> </u>	

MUNICIPAL SUPERANNUATION OR PENSION FUND

[Reconciliation of Fund Balance (Contributions with Accumulated Interest) where the Fund is not on an Actuarial Basis]

The purpose of this statement is to show the changes during the fiscal year in the superannuation or pension fund balance, which is the amount available for the payments of benefits when the fund is not maintained on an actuarial basis.

1. The balance of the account at the beginning of the year which should be shown in the credit and balance columns.

2. Adjustments directly affecting operations of previous years are to be shown under this item. Such may arise from accounting or other errors. Only the net result of entries of a similar character should be shown.

3. Extend the balance after giving effect to the adjustments shown under item 2.

4. Transactions affecting the fund balance, other than adjustments relating to operations of previous years, which should be summarized according to character and *only the net result of similar transactions* shown on the statement.

5. The Surplus (credit) or Deficit (debit) for the current fiscal year. The amount shown here should agree with either item 7 of the expenditure section or item 8 of the revenue section, respectively, as shown in the Municipal Superannuation or Pension Fund Revenue and Expenditure Statement, page 335.

6. The balance of the account at the close of the year should be extended opposite this item, and in addition it should be entered in the debit column so as to bring the totals of each into agreement. This balance should agree with the amount shown under item 4 of the liabilities in the Municipal Superannuation or Pension Fund Balance Sheet, page 323.

**MUNICIPAL SUPERANNUATION OR PENSION FUND
STATEMENT OF REVENUE AND EXPENDITURE**

MUNICIPAL SUPERANNUATION OR PENSION FUND

Statement of Revenue and Expenditure

For the Fiscal Year Ended 19
(Day) (Month)

INCOME

1. Municipal Contributions	\$
2. Provincial Contributions .....	.....
3. Employees' Contributions .....	.....
4. Interest Earned On:	
41. Bank Deposits	\$
42. Investments—Less Accrued Interest on Investments Purchased .....	.....
	Sub-Total
5. Profit on Sale of Investments .....	.....
6. Other: (Specify)	
61.	\$
62. ....	.....
	Sub-Total
7. Total Revenue	\$
8. Deficit (Excess of Expenditure over Revenue)—Carried Forward to Municipal Superannuation or Pension Fund Surplus (Deficit) Account .....	.....
9. Grand Total Revenue Section	\$

EXPENDITURE

1. Pensions	\$
2. Accumulated Contributions Refunded .....	.....
3. Loss on Sale of Investments .....	.....
4. Purchase of Annuities (Dominion Government or Other) .....	.....
5. Administrative Expenditure .....	.....
6. Total Expenditure	\$
7. Surplus (Excess of Revenue over Expenditure)—Carried Forward to Municipal Superannuation or Pension Fund Surplus (Deficit) Account .....	.....
8. Grand Total Expenditure Section	\$

**MUNICIPAL SUPERANNUATION OR PENSION FUND
STATEMENT OF REVENUE AND EXPENDITURE**

REVENUE

1. The amount due during the fiscal year from the municipality, its utilities and special activities, on the basis of number of employees, salaries paid, or any other plan specified in the pension act, by-law or contract.	Municipal Contributions
2. The amount due from the province, as above, where such contributions are made.	Provincial Contributions
3. The amount due during the fiscal year from the employees covered by the fund on the basis specified in the pension act, by-law or contract whether paid directly or by salary or payroll deduction.	Employees' Contributions
4. Bank interest on deposits, and interest accruing to investments held in the fund; from the latter deduct interest paid when securities were purchased during the fiscal period.	Interest Earned
5. Excess of selling price of investments over balance sheet valuation.	Profit on the Sale of Investments
6. Contributions toward administrative expenses, donations, etc.	Other Revenue
7. The total of items 1 to 6.	
8. The amount by which item 6 of the expenditures exceeds item 7 above.	Deficit

EXPENDITURE

1. The total amount of benefits accruing or paid to contributors or their dependents during the fiscal year under the terms of the act, by-law or contract.	Pensions
2. Refunds of accumulated contributions made or due to contributors on their retirement or discharge from service before becoming eligible for pension, or to their estates in event of death before receipt of a pension.	Accumulated Contributions Refunded
3. The amount by which the balance sheet valuation of securities held as investments exceeds the selling price.	Loss on Sale of Investments
4. The amount expended during the fiscal period in the purchase of annuities.	Purchases of Dominion Government or Other Annuities
5. Administrative and general expenditure where such are paid out of the resources of the fund.	Adminis- trative
6. The total of items 1 to 5.	
7. The amount by which item 7 of the revenue exceeds item 6 above.	Surplus

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